ShinKong Insurance Co., Ltd.

Financial Statements and Independent Auditor's

Auditors' Report

For the Second Quarter of 2026 and 2025

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ShinKong Insurance Co., Ltd.
For the Second Quarter of 2026 and 2025
Financial reports
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Independent Auditors' Report

To ShinKong Insurance Co., Ltd.

Opinion

We have audited the accompanying balance sheets of ShinKong Insurance Co., Ltd. (the "Company") as of June 30, 2026, and the related statements of comprehensive income for the three-month and six-month periods then ended, as well as the statements of changes in equity and of cash flows for the six month periods then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2026 and its financial performance for the three-month and six-month periods then ended and its cash flows for the six-month periods then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Accounting Standards 34 "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

measurement of the liability(asset) for incurred claims of insurance contract and the asset(liability) for incurred claims of reinsurance contract

<u>Description</u>

For details regarding the accounting policies for insurance contracts and reinsurance contracts, please refer to Note 4 (13); for details regarding the accounting estimates and significant assumption uncertainty involved in the measurement of insurance contracts and reinsurance contracts, please refer to Note 5; for details regarding the explanation of insurance contracts and reinsurance contracts, please refer to Note 6 (12).

The Company's incurred claims liabilities and incurred claims assets are estimated based on actuarial principles and methods, taking into account discounted cash flows and risk adjustments, and are respectively recognized in insurance contract liabilities and reinsurance contract assets. As of June 30, 2026, the net balances of the Company's incurred claims liabilities under insurance contracts and incurred claims assets under reinsurance contracts were NT$ 16,397,005 thousand and NT$ 8,461,375 thousand, respectively.

<u>How our audit addressed the matter</u>

The procedures that we have conducted in response to specific aspects of the above mentioned key audit matter are summarized as follows:

1. Understand and evaluate the Company’s relevant accounting policies, internal controls and procedures to measure incurred claims liabilities and incurred claims assets, and sample and test the effectiveness of the controls of the relevant measurement processes.

2. Check the consistency between the basic data used to calculate incurred claims liabilities and incurred claims assets and the accounting records to confirm the accuracy and completeness.

3. Conduct sampling tests on reported but not paid under the items of incurred claims liabilities and incurred claims assets, and assess the reasonableness of the estimated amounts for individual cases.

4. Utilize the work of actuarial experts to assist in evaluating the reasonableness of actuarial methods, major assumptions and parameters used in measuring incurred claims liabilities and incurred claims assets, including the following procedures:

   (1) Examine and assess the reasonableness of the future claims cash flow estimates, discount rates, and risk adjustment measures for non-financial risks adopted by management.

   (2) Sample and test the calculation process of incurred claims liabilities and incurred claims assets to confirm the accuracy of the measured amounts.

Other matter — Initially audit the second quarter financial report

The financial statements before restatement for the comparative period of ShinKong Insurance Co., Ltd. were audited by other accountants, and issued unqualified audit report on March 13, 2026 and August 6, 2025, respectively.

As stated in Note 3(1), ShinKong Insurance Co., Ltd. Second applied International Financial Reporting Standard 17 "Insurance Contracts" on January 1, 2026, and retrospectively restated financial statements for the comparative period of 2025. Other accountants did not re-sign the audit reports on the restated financial statements for the comparative period.

We have performed the necessary audit procedures and audited the adjusting entries for the restated financial statements. In our opinion, the aforementioned adjusting entries are appropriate and have been properly processed.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Accounting Standards 34 “Interim Financial Reporting” that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Wang, Yu-Hsin   Kuo, Puo-Ju

For and on behalf of PricewaterhouseCoopers, Taiwan
August 19, 2026

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd

Balance Sheet

As at June 30, 2026, December 31, 2025, June 30, 2025 and January 1, 2025

Unit: NTD thousands

			June 30, 2026		December 31, 2025 (Restatement)		June 30, 2025 (Restatement)		January 1, 2025 (Restatement)	
	Assets	Note	Amount	%	Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents	6(1)	$1,868,086	3	$12,826,413	23	$12,750,733	23	$14,896,632	29
12000	Accounts receivable	6(2)	686,361	1	664,881	1	605,148	1	611,090	1
14110	Financial assets at fair value through profit or loss	6(3)	7,970,592	13	11,311,545	20	10,863,768	19	7,727,387	15
14145	Financial assets at amortized cost	6(5)	23,567,313	39	15,581,212	27	14,590,317	26	13,156,450	26
14180	Other Financial assets	6(6)	-	-	299,949	1	299,827	1	299,752	1
14190	Financial assets at fair value through other comprehensive income	6(4)	11,469,240	19	1,259,691	2	1,263,196	2	1,305,115	3
15000	Reinsurance contract assets	6(12)	10,021,571	16	10,286,543	18	10,522,209	19	8,112,730	16
14200	Investment property	6(8)	2,469,680	4	2,477,984	4	2,517,246	5	2,518,994	5
16000	Property, plant, and equipment	6(7)	1,047,948	2	1,064,203	2	1,162,866	2	1,166,795	2
16700	Right-of-use assets	6(22)	291,862	-	25,194	-	29,291	-	32,633	-
17000	Intangible assets	6(9)	42,169	-	48,358	-	53,989	-	25,970	-
17800	Deferred income tax assets		355,409	1	171,735	-	165,555	-	183,187	-
18000	Other assets	6(10)	937,005	2	1,011,704	2	922,720	2	921,275	2
1XXXX	Total assets		$60,727,236	100	$57,029,412	100	$55,746,865	100	$50,958,010	100

(To be continued)

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd

Balance Sheet (continued)

As at June 30, 2026, December 31, 2025, June 30, 2025 and January 1, 2025

Unit: NTD thousands

	Liabilities and equity	Note	June 30, 2026		December 31, 2025 (Restatement)		June 30, 2025 (Restatement)		January 1, 2025 (Restatement)	
			Amount	%	Amount	%	Amount	%	Amount	%
21000	Accounts Payables	6(11)	$3,690,986	6	$1,357,766	2	$3,367,188	6	$1,188,934	2
21700	Current income tax liabilities		509,882	1	487,940	1	403,630	1	364,300	1
23200	Financial liabilities at fair value through profit or loss	6(3)	133,509	-	80,758	-	-	-	108,915	-
23800	Lease liabilities	6(22)	316,389	-	25,763	-	29,850	-	33,155	-
24101	Insurance contract liabilities	6(12)	27,644,709	46	28,169,596	49	27,426,386	49	23,315,380	46
27000	Reserve for liabilities		-	-	-	-	-	-	19,367	-
28000	Deferred tax liabilities		36,309	-	516,196	1	536,478	1	628,842	1
25000	Other liabilities	6(23)	6,390,883	11	3,865,211	7	3,421,551	6	3,950,004	8
2XXXX	Total liabilities		38,722,667	64	34,503,230	60	35,185,083	63	29,608,897	58
31000	Capital stock	6(14)	3,159,633	5	3,159,633	6	3,159,633	6	3,159,633	6
32000	Capital reserves	6(15)	64,839	-	64,839	-	64,839	-	64,839	-
33000	Retained earnings	6(16)								
33100	Legal reserve		6,089,488	10	5,308,756	9	5,308,756	9	4,642,095	9
33200	Special reserve		8,491,690	14	8,491,690	15	7,665,283	14	7,665,283	15
33300	Undistributed earnings		2,412,574	4	5,594,512	10	4,442,207	8	5,898,835	12
34000	Other equity	6(17)	1,786,345	3	(93,248)	-	(78,936)	-	(81,572)	-
3XXXX	Total equity		22,004,569	36	22,526,182	40	20,561,782	37	21,349,113	42
	Total Liabilities and Equity		$60,727,236	100	$57,029,412	100	$55,746,865	100	$50,958,010	100

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG　　President: CAI, SHIH-SIAN　　Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statement of Comprehensive Income

January 1 to June 30, 2026 and 2025

Unit: NTD thousands

(Expressed in Thousands of New Taiwan dollars, except for Earnings Per Share)

Code	Account titles	Note	From April 1 to June 30, 2026 Amount	%	(Restatement) From April 1 to June 30, 2025 Amount	%	From January 1 to June 30, 2026 Amount	%	(Restatement) From January 1 to June 30, 2025 Amount	%
	Insurance service result									
41101	Insurance revenue	6(12)	$6,933,961	100	$6,395,277	100	$13,612,567	100	$12,865,178	100
51101	Insurance service expenses	6(12)	(5,052,689)	(73)	(4,429,602)	(69)	(8,962,944)	(66)	(11,907,718)	(92)
51201	Income or expenses from reinsurance contracts held	6(12)	(972,749)	(14)	(421,578)	(7)	(2,375,495)	(17)	1,191,076	9
	Insurance service result		908,523	13	1,544,097	24	2,274,128	17	2,148,536	17
	Financial result									
41500	Net gain(loss) from investment									
41510	Interest revenue		180,811	3	155,325	2	322,070	2	307,993	2
41521	Gain (loss) on financial assets and liabilities at fair value through profit or loss	6(3)	660,639	9	565,782	9	717,030	5	164,003	1
41526	Net gains from derecognition of financial assets at amortized cost	6(5)	-	-	-	-	-	-	(14,782)	-
41527	Realized gains (losses) on financial assets at fair value through other comprehensive income	6(4)	65,075	1	22,837	-	74,535	1	22,837	-
41550	Profit or loss from foreign exchange		(8,539)	-	(544,713)	(8)	17,310	-	(486,778)	(4)
41570	Profit or loss from investment property	6(8)	15,017	-	19,428	-	31,383	-	38,336	-
41585	Expected credit impairment losses and gains on reversal of investments	6(21)	(354)	-	(432)	-	(452)	-	(498)	-
41590	Other net gain(loss) from investment		(18,213)	-	(9,749)	-	(29,346)	-	(20,276)	-
51401	Insurance finance income or expenses	6(12)	(8,001)	-	(128,197)	(2)	(44,415)	-	(194,880)	(1)
51501	Finance income or expenses of reinsurance contracts held	6(12)	11,611	-	60,872	1	30,930	-	93,857	1
	Total financial result		898,046	13	141,153	2	1,119,045	8	(90,188)	(1)
	Other operating result									
41800	Other operating income		10,930	-	(128,719)	(2)	23,623	-	42,465	-
51800	Other operating costs		(126,384)	(2)	(178,151)	(3)	(178,548)	(1)	(241,987)	(2)
51700	Finance costs		(2,074)	-	(231)	-	(2,858)	-	(477)	-
58000	Other operating expenses		(95,702)	(1)	(18,947)	-	(134,701)	(1)	(38,909)	-
	Total other operating result		(213,230)	(3)	(326,048)	(5)	(292,484)	(2)	(238,908)	(2)
	Net operating income (loss)		1,593,339	23	1,359,202	21	3,100,689	23	1,819,440	14
59000	Non-operating revenues and expenses		(567)	-	2,039	-	287	-	3,191	-
62000	**Income from continuing operations before tax**		1,592,772	23	1,361,241	21	3,100,976	23	1,822,631	14
63000	Income tax expense	6(19)	(165,071)	(2)	(199,382)	(3)	(413,504)	(3)	(353,460)	(3)
66000	**Net income**		$1,427,701	21	$1,161,859	18	$2,687,472	20	$1,469,171	11

(To be continued)

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statement of Comprehensive Income

January 1 to June 30, 2026 and 2025

Unit: NTD thousands

(Expressed in Thousands of New Taiwan dollars, except for Earnings Per Share)

	Account titles	Note	From April 1 to June 30, 2026 Amount	%	(Restatement) From April 1 to June 30, 2025 Amount	%	From January 1 to June 30, 2026 Amount	%	(Restatement) From January 1 to June 30, 2025 Amount	%
83000	**Other comprehensive income**									
83100	**Items that are not re-classified as profit or loss**									
83190	Gains (losses) on equity instruments at fair value through other comprehensive income		$1,029,456	15	$(21,597)	-	$1,256,788	9	$(6,709)	-
83200	**Items that are or may be reclassified subsequently to profit or loss**									
83290	Gains (losses) on debt instruments at fair value through other comprehensive income		6,633	-	8,326	-	(3,616)	-	11,679	-
83280	Income taxes relating to items that are or may be reclassified subsequently to profit or loss		(1,326)	-	(1,664)	-	724	-	(2,334)	-
83000	**Other Comprehensive income in current period (net after tax)**		$1,034,763	15	($14,935)	-	$1,253,896	9	$2,636	-
85000	**Total comprehensive income in current period**		$2,462,464	36	$1,146,924	18	$3,941,368	29	$1,471,807	11
	Earnings per share									
	Basic earnings per share	6(20)	$4.52		$3.68		$8.51		$4.65	

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG President: CAI, SHIH-SIAN Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statement of Changes in Equity

January 1 to June 30, 2026 and 2025

Unit: NTD thousands

				Retained earnings			Other equity		
	Note	Capital stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Unrealized gain on financial assets measured at fair value through other comprehensive profit or loss	Other comprehensive income reclassified using the overlay approach	Total equity
January 1 to June 30, 2025									
Balance as of January 1, 2025		$3,159,633	$64,839	$4,642,095	$7,665,283	$2,927,717	$(81,572)	$858,078	$19,236,073
Effect of retrospective application for first-time application of IFRS17	23(9)	-	-	-	-	2,971,118	-	(858,078)	2,113,040
Balance as of January 1, 2025 after restatement		3,159,633	64,839	4,642,095	7,665,283	5,898,835	(81,572)	-	21,349,113
Net income in January 1 to June 30, 2025		-	-	-	-	1,469,171	-	-	1,469,171
Other comprehensive income in January 1 to June 30, 2025		-	-	-	-	-	2,636	-	2,636
Total comprehensive income in current period		-	-	-	-	1,469,171	2,636	-	1,471,807
Distributions of 2024 earnings:									
Legal reserve		-	-	666,661	-	(666,661)	-	-	-
Cash dividends		-	-	-	-	(2,259,138)	-	-	(2,259,138)
Balance as of June 30, 2025		$3,159,633	$64,839	$5,308,756	$7,665,283	$4,442,207	$(78,936)	$-	$20,561,782
January 1 to June 30, 2026									
Balance as of January 1, 2026 (after restatement)		$3,159,633	$64,839	$5,308,756	$8,491,690	$5,594,512	$(93,248)	$-	$22,526,182
First-time application of IFRS17 redesignation of financial assets	23(9)	-	-	-	-	(982,405)	599,370	-	(383,035)
Deposits catastrophic special reserves	6(23)	-	-	-	-	(1,782,893)	-	-	(1,782,893)
Balance as of January 1, 2026 (after adjustment)		$3,159,633	$64,839	$5,308,756	$8,491,690	$2,829,214	$506,122	-	$20,360,254
Net income in January 1 to June 30, 2026		-	-	-	-	2,687,472	-	-	2,687,472
Other comprehensive income in January 1 to June 30, 2026		-	-	-	-	-	1,253,896	-	1,253,896
Total comprehensive income in current period		-	-	-	-	2,687,472	1,253,896	-	3,941,368
Distributions of 2025 earnings:									
Legal reserve		-	-	780,732	-	(780,732)	-	-	-
Cash dividends		-	-	-	-	(2,297,053)	-	-	(2,297,053)
Disposal of investments in equity instruments designated at fair value through other comprehensive income		-	-	-	-	(26,327)	26,327	-	-
Balance as of June 30, 2026		$3,159,633	$64,839	$6,089,488	$8,491,690	$2,412,574	$1,786,345	$-	$22,004,569

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG　　President: CAI, SHIH-SIAN　　Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd.

Statements of Cash Flows

January 1 to June 30, 2026 and 2025

Unit: NTD thousands

	From January 1 to June 30, 2026	From January 1 to June 30, 2025 (Restatement)
Cash flow from operating activities		
Income from continuing operations before tax	$3,100,976	$1,822,631
Adjusted Items		
Revenue, expense and loss		
Depreciation expenses	68,966	43,651
Amortization expenses	11,276	12,878
Net losses (gains) on financial assets and liabilities at fair value through profit or loss	(756,131)	(164,003)
Net losses (gains) on financial assets at fair value through other comprehensive income	(74,535)	(22,837)
Net (loss) gain arising from derecognition of financial assets measured at amortised cost	-	14,781
Interest expenses	2,858	477
Interest income	(322,070)	(307,993)
Expected credit impairment losses (reversal gains) of investments	452	498
Expected credit impairment losses of (reversal gains) non-investments	1,616	191
(Gains) losses on disposal or scrapping of property and equipment	872	6
Unrealized foreign exchange loss (gain)	(17,289)	495,627
Other	-	1,046
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in accounts receivable	46,468	28,169
(Increase) decrease in financial assets at fair value through profit or loss	(1,670,978)	(3,025,989)
Increase in financial assets at fair value through other comprehensive income	(845,276)	3,659
Increase in financial assets at amortized cost	(10,804,314)	(1,863,249)
(Increase) decrease in other financial assets	300,000	-
(Increase) decrease of reinsurance contracts assets	264,973	(2,409,479)
Decrease (increase) of other assets	83,217	(4,655)
Changes in operating liabilities		
Increase (Decrease) of accounts payables	36,167	(80,884)
Increase (Decrease) in financial liabilities at fair value through profit or loss	52,751	(108,916)
Increase (Decrease) of insurance contract liabilities	(524,887)	4,111,006
Increase (Decrease) of reserve for liabilities	-	(19,367)
Increase (Decrease) of other liabilities	297,054	(528,452)
Cash (outflow) inflow from operating activities	(10,747,834)	(2,001,204)
Interest received	312,122	326,442
Dividend received	18,887	21,643
Interest paid	(97)	(119)
Income tax paid	(504,690)	(391,197)
Net cash (used in) provided by operating activities	(10,921,612)	(2,044,435)
Cash flows from investment activities		
Acquisition of property and equipment	(30,096)	(66,547)
Acquisition of intangible assets	-	(3,181)
Net cash used in investing activities	(30,096)	(69,728)
Cash flows from financing activities		
Principle repayment of lease liabilities	(7,597)	(7,307)
Net cash used in financing activities	(7,597)	(7,307)
Effects of exchange rate changes	978	(24,429)
(Decrease) Increase of cash and cash equivalents in current period	(10,958,327)	(2,145,899)
Balance of cash and cash equivalents at the beginning of period	12,826,413	14,896,632
Balance of cash and cash equivalents at the ending of period	$1,868,086	$12,750,733

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG President: CAI, SHIH-SIAN Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)
ShinKong Insurance Co., Ltd.
Notes to financial statements
For the Second Quarter of 2026 and 2025
Unit: NTD thousands (unless otherwise stated)

1. Company history and business scope

Shin Kong Insurance Co., Ltd. (hereinafter referred to as the Company) held a founding shareholders' meeting on March 20, 1963, and officially started the business on May 1 of the same year. With the main business of property insurance, the Company was initially settled at No. 43 Guanqian Road, Taipei City, and later moved to No. 35, Section 1, Wuchang Street, Taipei City on April 24, 1965 to meet the business expansion, and then moved to No. 34, Baoqing Road, Taipei City on January 30, 1973, and then again moved to the new corporate building at No. 15, Section 2, Jianguo North Road on January 20, 1983 for business expansion and restructuring. The Company has a total of 20 branches, including offices in Banqiao, Taoyuan, Hsinchu, Taichung, Shalu, Changhua, Yunlin, Chiayi, Tainan, Kaohsiung, Pingtung, Shilin, Yuanlin, Fengshan, Nantou, Zhongli, Lanyang, Neihu, Sanchong, and international insurance businesses. The branches have a total of 3 communications offices, with service posts established all over Taiwan.

The Company's capital was initially NT$ 32,000 in 1963. Through the years of capital increase, as of June 30, 2026, the paid-in capital amounted to NT$ 3,159,633.

2. Financial Reporting Date and Procedures

This financial report was approved by the Board of Directors and released on August 19, 2026.

3. Application of New and Revised Standards and Interpretation

1. Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment:

(1) Certain amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

A. Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.
The conditions for the exception are that the entity making the payment does not have:
(A) the practical ability to withdraw, stop or cancel the payment instruction;
(B) the practical ability to access the cash used for settlement; and
(C) significant settlement risk associated with the electronic payment system.

B. Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period. Related disclosures are provided in Note 6.4.

(2) The Company adopted IFRS 17 for the first time on January 1, 2026. The related accounting policies are disclosed in Note 4.13. In accordance with the effective date and transition requirements of IFRS 17, the comparative financial statements for 2025 have been retrospectively restated.

In addition, pursuant to the transition provisions of IFRS 17, the Company was permitted, at the date of initial application, to reassess the classification of financial assets under IFRS 9 and apply such designation and classification retrospectively. However, the Company did not restate the comparative-period financial statements for the re-designated financial assets, nor did it apply the classification overlay approach to adjust comparative financial assets.

For the effects of the retrospective restatement upon adoption of IFRS 17 and the re-designation of financial assets as of January 1, 2025 and January 1, 2026, please refer to Note 23.9.

2. <u>Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company</u>
New standards, interpretations and amendments endorsed by the FSC effective from 2027 are as follows:

Unit: NTD thousands (unless otherwise stated)

New Standards, Interpretations and Amendments	Effective date by IASB
IFRS 18, ‘Presentation and disclosure in financial statements’	January 1, 2027 (Note 1)
IFRS 19, ‘Subsidiaries without public accountability: disclosures’	January 1, 2027
Amendments to IAS 21, ‘Translation to a hyperinflationary presentation currency’	January 1, 2027
Amendments to IAS 28, ‘Amendments to the fair value option in IAS 28 investments in associates and joint ventures’	January 1, 2027(Note 2)

Note 1：The entities shall apply IFRS 18 starting from January 1, 2028. Additionally, entities can choose to adopt IFRS 18 earlier.
Note 2：The entities shall apply the amendment simultaneously with IFRS 18.

Except for the following, the above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

IFRS 18, ‘Presentation and disclosure in financial statements’
IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

3. IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
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 20, ‘Regulatory assets and regulatory liabilities’	January 1, 2029

The Company has assessed that the above standards and interpretations have no material impact on the Company’s financial condition and financial performance.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

1. Compliance Statement

The financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” and the International

Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

2. Basis of Preparation

(1) The Company has no subsidiaries; therefore, these financial statements are separate financial statements. They comprise the balance sheet, the statement of comprehensive income presented in a single statement approach, the statement of changes in equity, the statement of cash flows, and the related notes.

(2) Except for the following items, the financial statements have been prepared under the historical cost. Historical cost is generally measured based on the fair value of the consideration paid to acquire the asset:

A. Financial assets and financial liabilities (including derivatives) at fair value through profit or loss.
B. Financial assets at fair value through other comprehensive income.
C. Insurance contract liabilities (assets) and reinsurance contract assets (liabilities) measured on a present value basis.
D. Other provisions recognized in accordance with relevant insurance regulations and directives.

The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

3. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and time deposits or investments that are short-term, highly liquid, convertible to fixed amounts of cash at any time with little risk of value changes.

4. Foreign currency translation

The financial statements are presented in NT dollars, which is the Company’s functional and the Company’s presentation currency.

(1) Foreign currency transactions and balances

A. Foreign currency transactions are initially recognised in the functional currency by applying the spot exchange rate between the functional currency and the foregin currency at the transaction date,
B. Exchange differences arising from the settlement or translation of monetary items at

exchange rates different from those at initial recognition or from those used in translating prior period finanacial statements shall be recognised in profit or loss in the period in which they arise.

C. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through other comprehensive income are translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. Except for aforementioned non-monetary assets denominated in foreign currencies held at fair value through profit or loss, foreign exchange gains or losses that arise from investing activities are recognized under net gain (loss) from investment in the statement of comprehensive income. Other foreign exchange gains or losses that do not arise from investing activities are recognized under other operating revenues or other operating costs.

(2) Translation of foreign operations

The financial position and financial performance of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

A. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

B. Income and expenses for each statement of comprehensive income are translated at average exchange rate for the period; and

C. All resulting exchange differences are recognized in other comprehensive income.

5. Financial Instruments

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

Financial assets and financial liabilities applicable to IFRS 9 “Financial Instruments” are measured at fair value on initial recognition, and are directly attributable to the transaction cost of acquisition or issuance of the financial assets and financial liabilities (except for those measured at fair value through profit or loss), to be deducted from or added to the fair values of the financial assets and financial liabilities.

(1) Recognition and measurement of financial assets

All the recognition and delisting of financial assets through the Company’s normal trade practice are accounted for on the transaction day.

The Company classifies financial assets into the following categories: those subsequently measured at amortized cost, those measured at fair value through other comprehensive profit or loss, and those measured at fair value through profit or loss, based on the following features:

A. Operating models
B. Contractual cash flows

Financial Assets Based on Cost After Amortization

Financial assets that meet the following two conditions are measured at amortized cost and listed on the balance sheet as financial assets and other assets measured at accounts receivable and amortized cost:

A. Operating models: holding financial assets to collect contractual cash flows
B. Contractual cash flows: cash flows entirely for paying principals and interests on the principals in circulation

Such financial assets (excluding those involved in hedging) are subsequently measured at amortized cost, adjusted for loss allowance. Upon derecognition, through amortization or recognition of impaired profits or losses, the profits or losses are recognized as gains and losses.

The interests calculated by the effective interest method (multiplying the effective interest rate by the total book value of the financial asset) or based on following conditions are recognized as gains and losses:

A. For purchased or originated credit-impaired (POCI) financial assets, it is calculated as the credit-adjusted effective interest rate multiplied by the amortized cost.
B. For financial assets other than the aforementioned, but subsequently become credit impairment, it is calculated as the effective interest rate multiplied by the amortized cost.

Financial Assets at Fair Value through Other Comprehensive Profit or Loss

Financial assets that meet the following two conditions are measured at fair value through other comprehensive profit or loss, and are listed on the balance sheet as financial assets measured at fair value through other comprehensive profit or loss:

A. Operating model: collecting contractual cash flows and selling financial assets.
B. Contractual cash flows: cash flows entirely for paying principals and interests on the principals in circulation

Recognition of gains and losses related to such financial assets are explained as follows:

A. Before derecognition or reclassification, except for impaired profits or losses and foreign exchange profits or losses that are recognized as gains and losses, the profits and losses of the financial assets are recognized as other comprehensive profit or loss.
B. Upon derecognition, the cumulative profits or losses previously recognized as other comprehensive gains and loss are reclassified from equity to gains or losses for adjustment.
C. The interests calculated by the effective interest method (multiplying the effective interest rate by the total book value of the financial asset) or based on following conditions are recognized as gains and losses:

(A) For POCI financial assets, it is calculated as the credit-adjusted effective interest rate multiplied by the amortized cost.
(B) For financial assets other than the aforementioned, but subsequently become credit impairment, it is calculated as the effective interest rate multiplied by the amortized cost.

In addition, for equity instruments applicable for IFRS 9 and are neither held for trading, nor recognized as contingent consideration by the acquirer in a merger under IFRS 3, and on initial recognition, it is optional (irrevocably) to list its subsequent fair value changes as other comprehensive profit and loss. The amount listed as other comprehensive profit or loss shall not subsequently be transferred to gains and loss (when disposing such equity instruments, the cumulative amount listed as other equity are directly transferred to retained earnings), and shall be listed on the balance sheet as financial assets measured at fair value through other comprehensive profit or loss. Dividends from investments are recognized as gains or losses, unless the dividends clearly represent part of the recovery of investment costs.

Financial Assets at Fair Value through Profit or Loss

Except for the measurement by amortized cost under specific conditions as mentioned above or at fair value through other comprehensive profit or loss, financial assets are measured at fair value through profit or loss, and are listed on the balance sheet as financial assets and accounts receivable measured at fair value through profit or loss.

The profits or losses generated from remeasurement of such financial assets measured at fair value are recognized as gains and losses, whose profits or losses include any and all dividends or interests generated from the financial assets.

(2) Impairment of Financial Assets

The Company’s debt instruments measured at fair value through other comprehensive profit or loss and financial assets measured at amortized cost are recognized as expected credit losses to measure allowance for losses. For the debt instruments measured at fair value through other comprehensive profit or loss, the allowance for losses is recognized as other comprehensive profit or loss, without reducing the book value of the investment.

The Company measures expected credit losses to reflect the following:

A. unbiased and probability-weighted amounts determined by evaluating all possible outcomes.
B. Time value of money
C. Reasonable and supportable information related to past events, current conditions and forecasts of future economic conditions (that can be obtained without excessive costs or investment on the balance sheet date)

Measurement of allowance for losses is explained as follows:

A. It is measured by the amount of 12-month expected credit losses: including financial assets whose credit risk has not significantly increased since initial recognition, or those that are determined to be low in credit risk at the balance sheet date. In addition, it also includes the allowance for losses which are measured at lifetime expected credit losses in the duration of previous financial reports, but on the current balance sheet day no longer meets the criteria for a significant increase in credit risk since initial recognition.

B. Measurement of lifetime expected credit losses: including financial assets with credit risk significantly increased since initial recognition, or POCI financial assets.
C. For accounts receivable or contract assets arising from transactions under IFRS 15, the Company uses lifetime expected credit losses to measure allowance for losses.
D. For lease receivables arising from transactions under IFRS 16, the Company uses lifetime expected credit losses to measure allowance for losses.

In addition to the above assessments, the Company has also provided adequate allowance for bad debts in accordance with the "Guidelines for Handling Assessment of Assets, Overdue and Non-Performing Loans and Bad Debts by Insurance Enterprises.

On each balance sheet day, the Company compares the changes in the default risk of financial instruments from the initial recognition day, in order to assess whether the credit risk of the financial instruments has increased significantly after the initial recognition. For further information about the credit risks, please see Note 7.

(3) Derecognition of Financial Assets

The Company's financial assets are derecognized when one of the following conditions is met:

A. The contractual rights from the cash flows of financial assets are terminated.
B. The financial assets have been transferred and almost all the risks and rewards from the ownership of the assets have been transferred to others.
C. Almost all risks and rewards of asset ownership have neither been transferred nor retained, but control of the assets has been transferred.

When a financial asset is derecognized as a whole, the difference between its book value and the received or receivable consideration plus any cumulative profits or losses recognized as other comprehensive profit or loss is recognized as gains and loss.

(4) Financial Liabilities and Equity Instruments

Classification of Liabilities or Equity

The liabilities and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreement and the definitions of financial liabilities and equity instruments.

Equity Instruments

The Company's equity instruments refer to any contract with remaining equity after deducting all liabilities from assets. Equity instruments issued by the Company are recognized with the amount received deducting the cost of direct issuance.

Financial Liabilities

Financial liabilities applicable to IFRS 9 are classified on initial recognition as financial liabilities measured at fair value through profit or loss or financial liabilities measured at amortized cost.

Financial liabilities at fair value through profit and loss

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

When one of the following conditions is met, financial liabilities are classified as held for trading:

A. The main purpose of acquisition is to sell them in a short time;
B. on initial recognition, it is a part of the portfolio of identifiable financial instruments under merger management, and there is evidence that the portfolio is to be operated for short-term profits in the near future; or
C. Derivatives (except for financial guarantee contracts or designated derivatives that are effective hedging instruments).

For a contract containing one or more embedded derivatives, the overall hybrid (combined) contract can be designated as a financial liability measured at fair value through profit and loss; when one of the following factors is met to provide more relevant information, the hybrid contract can be designated on initial recognition as measured at fair value through profit and loss:

A. The designation can eliminate or significantly reduce inconsistencies in measurement or recognition; or
B. A group of financial liabilities or a group of financial assets and financial liabilities are managed and evaluated on the fair value basis, based on written risk management or investment strategies, and the information on the investment portfolio provided to the management within the consolidated company is also based on fair value.

The profits or losses out of remeasurement of such financial liabilities are recognized as gains and losses, including any interests paid for the financial liabilities.

Financial Liabilities Measured at Amortized Cost

Financial liabilities measured at amortized cost include payables and lease liabilities, which are measured by the effective interest method after initial recognition. When financial liabilities are derecognized and amortized by the effective interest method, the related profit or loss and amortization are recognized as gains and losses.

The calculation of the amortized cost considers the discount or premium at the time of acquisition and transaction costs.

Derecognition of Financial Liabilities

A financial liability is derecognized when its obligation is discharged, cancelled or invalidated.

When the Company and creditors exchange debt instruments with materially different terms, or make major changes to all or part of the terms of existing financial liabilities (whether or not due to financial difficulties), the original liabilities are derecognized and new ones recognized, and when the financial liabilities are derecognized, the difference between their book values and the total considerations paid or payable (including transferred non-cash assets or liabilities assumed) is recognized as gains and losses.

(5) Offset of Financial Assets and Liabilities

Financial assets and financial liabilities can be offset and listed on the balance sheet as a net amount only when the recognized amount currently has legal exercise rights of mutual offsetting and is intended to settle on a net amount or to realize assets and liquidate liabilities at the same time.

(6) Derivatives

The derivatives signed by the Company include forward foreign exchange contracts and exchange contracts, mainly for managing the risk of changes in exchange rates. The initial recognition and subsequent measurement of such derivatives are based on fair value, and when the fair value is positive, the derivatives are recognized as assets, otherwise recognized as liabilities.

6. Measurement at Fair Value

Fair value refers to the price under which an amount is received from selling an asset or paid for transferring a liability in an orderly transaction among market participants on the measurement day. The measurement of fair value assumes that the sale of assets or transfer of liabilities takes place in one of the following markets:

(1) The main market for such assets or liabilities, or
(2) If there is no such a main market, the most favorable market shall apply.

The main market or the most favorable market must be accessible by the market participants.

The fair value of an asset or a liability is assumed by the market participants to price the asset or liability, and it is assumed that the market participants are acting in their best economic interests.

The measurement at fair value of a non-financial asset takes into account the efficacy that the buyer will take the asset to its highest and best use or the seller will sell the asset to the counterpart who will take the asset to its highest and best use, in order to generate economic benefits.

The Company adopts evaluation techniques which allow collection of appropriate and sufficient information under relevant circumstances so as to measure fair values, as well as maximize the use of observable input values and minimize the use of unobservable input values.

7. Property, Plant, and Equipment

Property, plant, and equipment are recognized based on the acquisition costs, and are listed after deducting accumulated depreciation and accumulated impairment. The said costs include the costs of dismantling and removing the property, plant and equipment and restoring the venue, as well as the necessary interests incurred out of unfinished projects. Significant components of the property, plant, and equipment are depreciated separately. Significant components of the property, plant and equipment that need to be periodically replaced are treated as individual assets, recognized based on their individual service life and depreciated separately. The book value of the replacement cost is derecognized in accordance with IAS 16 "Property, Plant and Equipment." A major maintenance cost qualified for recognition is regarded as replacement cost and recognized as part of the book value of the equipment, while other repair and maintenance expenses are recognized as gains and losses.

Depreciation of the following assets is accrued using the straight-line method, based on the estimated service life:

Buildings and structures	5–60 years
Miscellaneous equipment	3–15 years

The property, plant and equipment or any of its significant components after initial recognition that are disposed of or not expected to generate inflow of economic benefits from future use or disposal are derecognized into gains and losses.

The residual value, service life and depreciation method of the property, plant and equipment are assessed at the end of each fiscal year, and if the expected value is different from the previous estimate, the change is regarded as a change in accounting estimates.

8. Investment Property

The company's own investment property is measured at the original cost, including the acquisition cost. The book value of investment property includes the cost of repairing or adding new investment to the property if only the cost is recognizable; however, the maintenance expenses incurred from day to day are not regarded as part of the cost. After initial recognition, the investment property, except for being qualified as a non-current asset held for sale (or included in the disposal group of being held for sale) according to IFRS 5 "Non-current Assets held for Sale and Discontinued Operations," the measurement of investment property is based on the cost model in accordance with IAS 16 "Property, Plant and Equipment"; however, if it is held by the lessee as a right-of-use asset and regarded as not being held for sale according to IFRS 5, the stipulations of IFRS 16 are applied.

Depreciation of the following assets is accrued using the straight-line method, based on the estimated service life:

Buildings and structures	10–60 years

Investment property is derecognized into gains and losses when it is disposed of or will no longer be used and economic benefits out of future disposal are not expected.

Assets are transferred into or out of investment property based on their actual use.

When a property either meets or no longer meets the definition of investment property and evidence shows change of use, the property is either transferred into or out of investment property, accordingly.

9. Leases

On the execution date, a contract is assessed whether it is attributed to, or includes, leasing. If a contract has transferred control of use of identified assets for a period of time in exchange for consideration, it is (or includes) a lease. Whether a contract has transferred control of use of identified assets for a period of time is determined on the basis of the following two factors over the entire period of use:

(1)Obtaining the right to almost all economic benefits from the use of the identified assets; and
(2)The right to direct the use of the identified assets.

For a contract that is attributed to (or includes) a lease, the lease components in the contract are regarded as individual ones and are treated separately from the non-lease components. For a contract that includes one lease component and one or more additional lease or non-lease components, the consideration is allocated to the lease components, based on the relative stand-alone price of each lease component and the aggregate of stand-alone prices of the non-lease components. The relative stand-alone prices of lease and non-lease components are determined on the basis of the prices charged by the lesser (or similar suppliers) separately for the components (or similar components). If the observable stand-alone price is not readily available, the maximized observable information is used to estimate the stand-alone price.

The Company as a Lessee

In addition to compliance and selection of short-term leases or leases of low-value target assets, when the Company is the lessee of the lease contract, all the leases are recognized using the right-of-use assets and lease liabilities.

The lease liabilities are measured at present value of the lease payment not yet paid on the commencement date. If the lease implied interest rate is easy to determine, the lease payment is discounted at the said implied interest rate. If it is not, the interest rate for the lessee's incremental borrowing is used. On the commencement date, the lease payments included in the lease liabilities include the following due payments related to the right-to-use assets during the lease period but not yet paid on that date:

(1) Fixed payments (including substantive fixed payments), minus any collectable lease incentives;
(2) Lease payments that vary depending on changes in an index or rate (initial measurement by the index or rate on the commencement date);
(3) The amount expected to be paid by the lessee under the residual value guarantee;
(4) The price of exercising the purchase option, if exercising the option is reasonably assured; and
(5) The penalty payable for the termination of the lease, if in the lease period it shows that the lessee will exercise the option to terminate the lease.

After the commencement date, the lease liabilities are measured at amortized cost, and the effective interest rate method is used to increases the book value of the lease liabilities to reflect the interests on lease liabilities; fulfilled lease payments reduce the book value of lease liabilities.

On the commencement date, the right-of-use asset is measured by the costs, which include:
(1) The amount from initial measurement of the lease liabilities;
(2) Any lease payments paid on or before the commencement date, minus any lease incentives received;
(3) Any initial direct costs incurred by the lessee; and
(4) The estimated cost for the lessee to dismantle and remove the target asset and restore the venue, or restore the target asset to the state required by the lease terms and conditions.

The right-of-use asset is subsequently measured by deducting the accumulated depreciation and accumulated impairment loss from the cost, i.e. using the cost model to measure the right-of-use asset.

If the ownership of the target asset is transferred to the Company, or if the cost of the right-of-use asset reflects that the company will exercise the purchase option, when the lease period expires, the right-of-use asset is depreciated from the commencement date till the end of the service life of the target asset. Otherwise, the right-of-use asset is depreciated from the commencement date till the end of the service life of the right-of-use asset or till the expiration of the lease period, whichever is earlier.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and deal with any identified impairment losses accordingly.

In addition to compliance and selection of short-term leases or leases of low-value target assets, the right-of-use assets and lease liabilities are listed in the balance sheet, and the lease-related depreciation and interests are listed in the consolidated income statement.

For short-term leases and leases of low-value target assets, the lease payments are recognized as expenses on a straight-line basis or another systematic basis during the lease period.

<u>The Company as a Lesser</u>

The leases are classified into operating and financial ones on the date of contract establishment. A lease transferring almost all the risks and rewards attached to the ownership of the target asset is classified as a financial lease; otherwise, as an operating lease. On the commencement date, the assets held under the financial leases are listed in the balance sheet as financial lease payments receivable based on the net lease investment.

For contracts including lease and non-lease components, the consideration in the contract is allocated in accordance with IFRS 15.

The lease payments out of operating leases are recognized as rental income on a straight-line basis or another systematic basis. Variable lease payments of operating leases that are not dependent on a certain index or rate are recognized as rental income when they occur.

10. Intangible Assets

Intangible assets acquired separately are initially recognized at cost. The cost of an intangible asset acquired through a merger is the fair value on the acquisition date. An intangible asset after being initially recognized has its book value based on its cost minus accumulated amortization and accumulated impairment losses. An internally generated intangible asset not qualified for recognition is not capitalized; instead, it is recognized as gains and losses when it occurs.

The service life of intangible assets is assessed as limited.

The intangible asset with a limited service life is amortized over its service life, and an impairment test is performed when a sign of impairment appears. The amortization period and amortization method of intangible assets with limited service life are reviewed at least at the end of each fiscal year. If the estimated service life of an asset is different from the previous estimate or the expected pattern of future economic benefit consumption has changed, the amortization method or amortization period are adjusted and considered as changes in accounting estimates.
The profit or loss arising from derecognition of intangible assets is recognized as gains and losses.

11. Impairment of Non-Financial Assets

On the closing date of each reporting period, assets applicable to IAS 36 are assessed for signs of impairment. If an asset has signs of impairment or is scheduled for an annual impairment test, the asset or the cash-generating unit of the asset is the test target. If the book value of the tested asset or its cash-generating unit is greater than its recoverable amount, an impairment loss is recognized. The recoverable amount is the net fair value or use value, whichever is greater.

At the end of each reporting period, assets other than goodwill are assessed for signs that the impairment loss previously recognized is reduced or no longer exists. If such signs appear, the recoverable amount of the asset or its cash-generating unit is assessed. If the recoverable amount increases due to changes in the estimated service potential of the asset, the impairment loss is reversed. However, if the book value after the reversal does not exceed the value before the impairment loss was recognized, the accrued depreciation or amortization is deducted from the book value.
The impairment loss and the number of reversals of continuing operations are recognized as gains and losses.

12. Classification of Insurance Contracts

An insurance contract refers to an agreement in which the insurer accepts the transfer of significant insurance risks from the policyholder, and agrees to compensate the policyholder when an uncertain event (insurance event) occurs in the future and causes damage to the policyholder. The significant insurance risks refer to the occurrence of any insurance event that causes the Company to pay significant amounts of additional benefits.

An insurance contract with a financial product nature refers to a contract that transfers significant financial risks. The financial risk refers to the risk that one or more specific interest rates, financial product prices, commodity prices, exchange rates, price indices, rate indices, credit ratings, credit indices or other variables may change in the future. If any of the above variables is non-financial, it is not regarded as held by a party to the contract.

An insurance policy that meets the definition of an insurance contract at initial judgment remains an insurance contract before all its rights and obligations disappear or expire, even if the insurance risks it undertakes during the policy period has been significantly reduced. However, if an insurance contract with a financial product nature transfers significant insurance risks to the Company after its renewal, it is reclassified as an insurance contract.

13. Insurance Contracts and Reinsurance Contracts

(1) Definitions and Scope

A. Insurance contracts issued (including reinsurance contracts issued):
An insurance contract is a contract under which the insurer accepts significant insurance risk by agreeing to compensate a policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

The Company considers insurance risk to be significant when, under any single scenario, the occurrence of an insured event could require the insurer to pay significant additional benefits. Accordingly, insurance risk is regarded as significant only if the insured event may cause the insurer to pay significant additional amounts in at least one scenario with commercial substance.

B. Reinsurance contracts held:
The Company uses reinsurance to reduce its exposure to insurance risk. Reinsurance contracts held are contracts under which the Company obtains reinsurance coverage from reinsurers to mitigate insurance risk exposure and transfers a portion of its insurance risk to the reinsurers. Such contracts fall within the scope of insurance contracts if they transfer significant insurance risk.

(2) Separation of Components of Insurance Contracts and Reinsurance Contracts Held
If any of the following components contained in the Company’s insurance contracts or reinsurance contracts held would be accounted for as separate contracts, such components shall be separated:

A. Cash flows relating to embedded derivatives that are required to be separated in accordance with IFRS 9 Financial Instruments;
B. Cash flows relating to distinct investment components;
C. Any promise to transfer distinct goods or non-insurance contract services to a policyholder.

(3) Level of Aggregation of Insurance Contracts and Reinsurance Contracts Held

A. Insurance Contracts
The Company manages its insurance contracts issued based on product type and risk characteristics. Contracts within each portfolio are subject to similar risks and are managed together. Accordingly, insurance contracts with the same product type and risk characteristics that are managed jointly are considered to constitute an insurance contract

portfolio.

Groups of insurance contracts are established by dividing each portfolio into contracts issued within a period not exceeding one year and, at initial recognition, classified as:

(A) Groups of onerous contracts;
(B) Groups of contracts for which there is no significant possibility of subsequently becoming onerous; and
(C) Groups comprising the remaining contracts in the portfolio.

B. Reinsurance Contracts Held

The level of aggregation for portfolios of reinsurance contracts held is assessed separately from that of portfolios of insurance contracts issued.

The Company divides reinsurance contracts held that are issued within a period not exceeding one year into the following groups at initial recognition:

(A) Groups of contracts that have a net gain on initial recognition;
(B) Groups of contracts for which there is no significant possibility of subsequently resulting in a net gain; and
(C) Groups comprising the remaining contracts in the portfolio.

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

(4) Initial Recognition of Insurance Contracts and Reinsurance Contracts Held

A. Insurance Contracts

The Company shall recognise a group of insurance contracts issued from the earliest of the following dates:

(A) The beginning of the coverage period of the group of insurance contracts;
(B) The date when the first payment from a policyholder in the group becomes due; and
(C) For a group of onerous contracts, the date when the group becomes onerous.

B. Reinsurance Contracts Held

The Company shall recognise a group of reinsurance contracts held from the earlier of:

(A) The beginning of the coverage period of the group of reinsurance contracts held; and
(B) The date on which the Company recognises an onerous group of underlying insurance contracts, provided that the related reinsurance contracts held included in the group of reinsurance contracts held have been entered into on or before that date.

For a group of proportionate reinsurance contracts held, the Company shall defer recognition until the later of the initial recognition date of the underlying insurance contracts and the beginning of the coverage period of the group of reinsurance contracts held.

Only contracts that meet the recognition criteria by the end of the reporting period shall be included in the group. Contracts that do not meet the recognition criteria in the current period shall be added to the group when they subsequently meet the criteria and shall remain subject to the annual grouping requirements.

(5) Contract Boundary

The Company determines the cash flows to be included in a group of insurance contracts based on the concept of the contract boundary. Cash flows that fall outside the contract boundary and relate to future insurance contracts are recognised only when the recognition criteria are met.

Cash flows within the contract boundary are those arising from rights and obligations that exist during the reporting period, such as the right to receive premiums or the obligation to provide insurance contract services.

When the Company has the practical ability to reassess the risks of a policyholder and can reprice the contract or revise the level of benefits to fully reflect those risks, cash flows relating to subsequent periods are excluded from the boundary of the existing insurance contract. Accordingly, the obligation to provide insurance contract services under the original contract is deemed to cease at that date.

In addition, the contract boundary is considered to have ended when either of the following conditions is met:

A. The Company has the ability to reassess the risks of a group of insurance contracts and reprice the contracts accordingly; or
B. The premiums determined up to the date on which the Company is able to reassess the risks do not reflect the risks relating to subsequent periods, such that the cash flows of those periods are excluded from the boundary of the existing insurance contract.

For a group of reinsurance contracts held, all cash flows arising from rights and obligations that exist during the reporting period are within the contract boundary. For example, the Company's obligation to pay reinsurance premiums and its right to receive reinsurance coverage from a reinsurer are cash flows within the contract boundary.

(6) Insurance Acquisition Cash Flows

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

A. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts, which are allocated to:
   (A) the group of insurance contracts; and
   (B) future groups of insurance contracts arising from renewals of contracts within that group.
B. Insurance acquisition cash flows that are attributable to a portfolio of insurance contracts, but are not directly attributable as described in A., which are allocated to groups of insurance contracts already existing or expected to arise within that portfolio.

Insurance acquisition cash flows paid before the related group of insurance contracts is recognised are recognised as an insurance acquisition cash flow asset and derecognised when those cash flows are included in the measurement of the related group of insurance contracts.

At the end of each reporting period, the Company assesses the recoverability of insurance acquisition cash flow assets.

If facts and circumstances indicate that an insurance acquisition cash flow asset may be impaired, the Company adjusts the carrying amount of the asset and recognises an impairment loss in insurance service expenses. If the impairment conditions no longer exist or have improved, the Company reverses the impairment loss, to the extent of the impairment previously recognised, through profit or loss and increases the carrying amount of the asset accordingly.

(7) Measurement of Insurance Contracts — Groups of Contracts Not Applying the Premium Allocation Approach

A. Initial Recognition

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

(A) Fulfilment Cash Flows comprise:

a. estimates of future cash flows;
b. an adjustment to reflect the time value of money and the financial risks related to future cash flows; and
c. a risk adjustment for non-financial risk reflecting the uncertainty about the amount and timing of future cash flows.

In determining the discount rates used in measuring insurance contract liabilities, the Company develops best-estimate assumptions based on current information available in liquid financial markets and applies the methods prescribed by the competent authority in accordance with International Financial Reporting Standards.

(B) Contractual Service Margin

The Company recognises the unearned profit related to future insurance contract services as a contractual service margin and recognises such amount as profit over the period in which insurance contract services are provided.

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

a. the initial recognition of the fulfilment cash flows;
b. any cash flows arising from the contracts in the group; and
c. the derecognition of any insurance acquisition cash flow asset.

However, if the aggregate amount of the above items results in a net outflow, the group of insurance contracts is onerous at initial recognition.

The Company immediately recognises the net outflow as a loss in profit or loss so that the carrying amount of the group's liability equals the fulfilment cash flows and the contractual service margin of the group is zero. At the same time, a loss component of the liability for remaining coverage is established equal to the amount of the loss recognised.

B. Subsequent Measurement

Group of insurance contracts: At the end of each reporting period, the carrying amount of a group of insurance contracts is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future service allocated to the group at that date and the contractual service margin of the group at that date.

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

(A) Changes in Fulfilment Cash Flows

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

a. Changes relating to current or past service are recognised in profit or loss;
b. Changes relating to future service are recognised through adjustments to the contractual service margin or the loss component.

For insurance contracts measured under the General Measurement Model, changes in fulfilment cash flows relating to future service adjust the contractual service margin of the group of insurance contracts and include:

a. Experience adjustments arising from premiums received in the current period and related cash flows relating to future service, such as insurance acquisition cash flows;

b. Changes in estimates of the present value of future cash flows included in the liability for remaining coverage;
c. Differences between expected and actual cash flows relating to investment components;
d. Changes in the risk adjustment for non-financial risk relating to future service.

The adjustments described in a., b. and d. above shall be measured using the discount rates determined at initial recognition.

For insurance contracts measured under the General Measurement Model, the following changes in fulfilment cash flows do not adjust the contractual service margin of the group of insurance contracts because they do not relate to future service:

a. The effects of the time value of money, changes in the time value of money, financial risk and changes in financial risk on the fulfilment cash flows;
b. Changes in estimates of fulfilment cash flows relating to the liability for incurred claims;
c. Experience adjustments arising from premiums received in the current period and related cash flows (such as insurance acquisition cash flows) that do not relate to future service;
d. Experience adjustments relating to insurance service expenses, excluding insurance acquisition cash flows.

(B) Adjustments to the Contractual Service Margin

For insurance contracts issued, the Company adjusts the carrying amount of the contractual service margin at the end of each reporting period for the following items:

a. The effect of any new contracts added to the group;
b. Interest accreted during the reporting period using the discount rates determined at initial recognition;
c. Changes in fulfilment cash flows relating to future service shall be recognised as adjustments to the contractual service margin. Such adjustments shall not reduce the carrying amount of the contractual service margin below zero. Any excess shall be recognised as insurance service expenses and a loss component shall be established within the liability for remaining coverage. Subsequent favourable changes shall be recognised as reversals to the extent of losses previously recognised;
d. The effect of any foreign exchange differences on the contractual service margin; and
e. Amounts recognised as insurance revenue due to the transfer of services during the period.

The amount recognised as insurance revenue due to the transfer of insurance contract services during the period is determined by allocating the contractual service margin remaining at the end of the reporting period to the current period and the remaining coverage period on the basis of coverage units.

The quantity of coverage units in a group of insurance contracts reflects the quantity of insurance contract services provided by the contracts in the group and is determined by considering, for each contract, the quantity of benefits provided and its expected coverage period.

For coverage units used as the basis for allocating the contractual service margin, the Company reflects the time value of money by applying the discount rates determined at the initial recognition of the group of insurance contracts to nominal cash flows that do not vary based on returns on any underlying items.

(8) Measurement of Insurance Contracts — Groups of Contracts Applying the Premium Allocation Approach

The Company applies the Premium Allocation Approach to insurance contracts for which the coverage period is generally one year or less. This measurement approach is applied to insurance products with relatively short coverage periods (for example, automobile insurance and travel accident insurance).

A. Initial Recognition

For insurance contracts issued, the Company defers insurance acquisition cash flows that are directly attributable to the insurance contracts and recognises them as an asset. Such amounts are allocated to groups of insurance contracts measured under the Premium Allocation Approach and amortised over the coverage period of the related groups of contracts.

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

B. Subsequent Measurement

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of:

(A) The liability for remaining coverage; and

(B) The liability for incurred claims, comprising the fulfilment cash flows relating to past service allocated to the group as of the reporting date.

For insurance contracts issued, at the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is measured based on its carrying amount at the beginning of the reporting period and adjusted as follows:

(A) Increased by premiums received during the period;

(B) Decreased by insurance acquisition cash flows incurred during the period;

(C) Decreased by the amount recognised as insurance revenue for services provided during the period;

(D) Increased by the amount recognised as an expense during the reporting period relating to the amortisation of insurance acquisition cash flows.

Insurance contracts issued and reinsurance contracts held that are measured under the Premium Allocation Approach generally do not contain investment components. However, certain reinsurance contracts containing profit commission arrangements or similar provisions may, under specific circumstances, give rise to cash flows with investment-related characteristics. The Company assesses, based on the contractual terms and underlying economic substance, whether such cash flows constitute investment components.

For contracts measured under the Premium Allocation Approach, the liability (asset) for incurred claims is measured using the same approach as that applied to fulfilment cash flows under the General Measurement Model, including estimates of future cash flows, discount rates and risk adjustments for non-financial risk. The Company’s liability (asset) for incurred claims is adjusted to reflect the time value of money.

(9) Measurement of Reinsurance Contracts Held

A. Groups of Contracts Not Applying the Premium Allocation Approach

(A) Initial Recognition

Upon initial recognition, the Company shall measure a group of reinsurance contracts held as the sum of the fulfilment cash flows and the contractual service margin.

a. Fulfilment Cash Flows

(a) The Company measures the estimates of the present value of future cash flows of a group of reinsurance contracts held using assumptions consistent with those used for the underlying group of insurance contracts.

(b) Risk Adjustment for Non-financial Risk

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

b. Contractual Service Margin

Any net cost or net gain on purchasing a group of reinsurance contracts held is recognised as the contractual service margin at initial recognition. However, if the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the reinsurance coverage, such cost is recognised immediately as an expense.

For reinsurance contracts held, the contractual service margin represents the deferred net cost or net gain to the Company and is recognised as reinsurance income or expense from the reinsurance contracts held over the period in which services are received from the reinsurer. The contractual service margin is measured as the sum of:

(a) the fulfilment cash flows, in which the risk adjustment for non-financial risk represents the amount of risk transferred by the Company to the reinsurer;

(b) the amount derecognised at that date of any asset or liability previously recognised for cash flows relating to the group of reinsurance contracts held;

(c) any cash flows arising at that date; and

(d) when a loss on initial recognition of an underlying group of onerous insurance contracts is recognised, or when onerous underlying insurance contracts are added to the group, the Company adjusts the contractual service margin of the group of reinsurance contracts held, recognises a loss-recovery gain, and establishes or adjusts a loss-recovery component of the asset for remaining coverage.

(B) Subsequent Measurement

a. At the end of each reporting period, the carrying amount shall be the sum of the asset for remaining coverage and the asset for incurred claims.

b. Contractual Service Margin

At the end of each reporting period, the carrying amount of the contractual service margin is based on its carrying amount at the beginning of the period and adjusted for the following:

(a) any new contracts added to the group;

(b) interest accreted using the discount rates determined at initial recognition;

(c) gains recognised on initial recognition of underlying groups of onerous insurance contracts and the establishment or adjustment of the loss-recovery component;

(d) reversals of the loss-recovery component (excluding those arising from changes in fulfilment cash flows of the group of reinsurance contracts held);

(e) changes in fulfilment cash flows relating to future service;

(f) the effect of foreign exchange differences on the contractual service margin; and

(g) amounts recognised in profit or loss for services received during the current period.

The Company applies a systematic and rational allocation method to determine the portion of losses of the underlying insurance contracts allocated to the related group of reinsurance contracts held.

B. Groups of Contracts Applying the Premium Allocation Approach (PAA)

(A) Initial Recognition

For groups of reinsurance contracts held to which the Premium Allocation Approach is applied, the Company measures the asset for remaining coverage based on the reinsurance premiums paid, adjusted to reflect the different characteristics of reinsurance contracts held compared with insurance contracts issued, such as amounts that give rise to expenses or reductions of expenses rather than revenue.

(B) Subsequent Measurement

At the end of each reporting period, the carrying amount shall be the sum of the asset for remaining coverage and the asset for incurred claims.

Upon subsequent measurement, the asset for remaining coverage is based on its carrying amount at the beginning of the period, increased by reinsurance premiums paid during the period and decreased by reinsurance expenses recognised for services received during the period.

Amounts recoverable from reinsurance relating to incurred claims are reflected in the measurement of the asset for incurred claims.

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

(10) Loss Component and Loss-Recovery Component

If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company shall recognise a loss in profit or loss for the amount by which the fulfilment cash flows of the group exceed the carrying amount of the liability for remaining coverage, increase the liability for remaining coverage, and establish a loss component.

Subsequently, at each reporting period, the loss component is remeasured based on the difference between the fulfilment cash flows relating to future service and the liability for remaining coverage. Changes in the loss component arising from the effects of the time value of money, financial risk and changes in other assumptions are recognised in insurance service expenses and insurance finance income or expenses, respectively.

After a loss on an onerous group of insurance contracts has been recognised, the Company allocates the following items between the loss component and the liability for remaining coverage excluding the loss component based on the proportion of the loss component to the expected future cash outflows included in the fulfilment cash flows:

A. Changes in the estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage due to incurred insurance service expenses;

B. Changes in the risk adjustment for non-financial risk; and

C. Insurance finance income or expenses.

The allocations described in A. and B. above reduce the corresponding components of insurance revenue and insurance service expenses, respectively.

An onerous group of insurance contracts may include portions that are covered by a group of reinsurance contracts held and portions that are not covered by a group of reinsurance contracts held. The Company applies a systematic and rational method to allocate losses recognised on a group of insurance contracts that relate to insurance contracts covered by a group of reinsurance contracts held.

The Company establishes or adjusts a loss-recovery component of a group of reinsurance contracts held to reflect changes in the loss component of the underlying onerous group of insurance contracts. Changes in the loss-recovery component are recognised as adjustments to recoveries of losses from reinsurance contracts and are presented in profit or loss.

The carrying amount of the loss-recovery component shall not exceed the carrying amount of the loss component of the underlying onerous group of insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

When an onerous underlying group of insurance contracts is initially recognised, or when onerous underlying insurance contracts are added to the group, the Company adjusts the asset for remaining coverage of a group of reinsurance contracts held measured under the Premium Allocation Approach, recognises a loss-recovery gain, and establishes or adjusts a loss-recovery component of the asset for remaining coverage of the group of reinsurance contracts held.

The gain recognised is determined by multiplying the loss recognised on the underlying insurance contracts by the percentage of claims on the underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held, provided that the reinsurance contracts held existed on or before the date on which the onerous underlying insurance contracts were recognised.

Changes in the loss-recovery component of reinsurance contracts held are recognised in reinsurance income or expenses and reinsurance finance income or expenses, respectively, to reflect the effects of the time value of money, financial risk and changes in other assumptions.

(11) Contract Modifications and Derecognition

When the Company and the counterparty to a contract agree to modify the contract, or when a contract is modified as a result of changes in laws or regulations, the Company shall treat the resulting changes in cash flows as changes in estimates of fulfilment cash flows, unless the original contract meets the criteria for derecognition.

The Company shall derecognise an insurance contract when any of the following circumstances occurs:

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

B. The insurance contract is modified and any of the following conditions is met, in which case the Company derecognises the original contract and recognises the modified contract as a new contract:

(A) Had the modified terms been included at contract inception, and the Company determines that the modified contract would have resulted in any of the following:

a. The modified contract would no longer be within the scope of IFRS 17;

b. The modified contract would require the separation of different components from the insurance contract and the application of other applicable Standards;

c. The contract boundary of the modified contract would be substantially different; or

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

(B) The original contract was measured using the Premium Allocation Approach, but the modification causes the contract to no longer meet the eligibility criteria for applying the Premium Allocation Approach.

(12) Presentation of Insurance Contracts

Assets and liabilities arising from groups of insurance contracts issued and groups of reinsurance contracts held are presented separately.

Insurance acquisition cash flows incurred before the recognition of the related group of insurance contracts are recognised as assets and included in the carrying amount of the related group of insurance contracts.

Assets or liabilities recognised for cash flows arising before the recognition of the related group of reinsurance contracts held are included in the carrying amount of the related group of reinsurance contracts held.

For the measurement results of insurance contracts, the Company presents insurance service result and insurance finance result in the statement of comprehensive income.

A. Insurance Service Result

(A) Insurance Revenue

The Company recognises insurance revenue as it provides insurance contract services during the reporting period. Insurance revenue reflects the reduction in the liability for remaining coverage resulting from services provided during the period.

The insurance revenue recognised in the reporting period depicts the transfer of promised services and reflects the consideration to which the Company expects to be entitled in exchange for those services.

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

a. Amounts relating to changes in the liability for remaining coverage:

(a) Insurance service expenses incurred in the period, measured at the amounts expected at the beginning of the period, excluding:

i. amounts allocated to the loss component of the liability for remaining coverage;

ii. repayments of investment components;

iii. amounts relating to transaction-based taxes collected on behalf of third parties;

iv. insurance acquisition cash flows;

v. amounts relating to the risk adjustment for non-financial risk.

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

i. changes recognised in insurance finance income or expenses;

ii. changes that adjust the contractual service margin;

iii. amounts allocated to the loss component of the liability for remaining coverage.

(c) The amount of the contractual service margin recognised in profit or loss during the period.

(d) Other amounts, such as experience adjustments arising from premiums received that relate to services other than future services.

b. Allocation of premiums relating to the recovery of insurance acquisition cash flows: the related premiums are allocated to each reporting period on the basis of the passage of time.

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

(B) Insurance Service Expenses

Insurance service expenses comprise the following:

a. Incurred claims (excluding repayments of investment components) and other incurred insurance service expenses;
b. Amortisation of insurance acquisition cash flows;
c. Changes relating to past service, being changes in fulfilment cash flows relating to the liability for incurred claims;
d. Changes relating to future service, being losses on onerous groups of contracts and reversals of such losses;
e. Impairment losses on insurance acquisition cash flow assets.

For insurance contracts not measured under the Premium Allocation Approach, the amortisation of insurance acquisition cash flows is recognised as part of insurance service expenses and is consistent with the related allocation of premiums included in insurance revenue.

For insurance contracts measured under the Premium Allocation Approach, the Company capitalises insurance acquisition cash flows and amortises them over the coverage period on the basis of the passage of time.

Cash flows relating to costs that cannot be directly attributed to a portfolio of insurance contracts containing the contract are recognised in other operating expenses in the statement of comprehensive income when incurred.

B. Insurance Service Result: Reinsurance Contracts Held

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

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

a. Reinsurance recoveries and other directly attributable expenses incurred during the period, measured at the amounts expected at the beginning of the period, excluding:
   (a) amounts allocated to the loss-recovery component;
   (b) repayments of investment components;
   (c) amounts relating to the risk adjustment for non-financial risk.
b. Changes in the risk adjustment for non-financial risk, excluding:
   (a) changes included in reinsurance finance income or expenses from reinsurance contracts held;
   (b) changes that adjust the contractual service margin;
   (c) amounts allocated to the loss-recovery component.
c. The amount of the contractual service margin recognised in profit or loss during the period as a result of receiving services.
d. Experience adjustments arising from reinsurance premiums paid that relate to services other than future services.

(B) For reinsurance contracts held measured under the Premium Allocation Approach, the

Company recognises reinsurance expenses on the basis of the passage of time over the coverage period.

(C) Amounts recovered from reinsurers:

a. Reinsurance recoveries of incurred claims and benefits (excluding investment components and less allocations to the loss-recovery component);
b. Other incurred reinsurance-related expenses;
c. Changes relating to past service, being changes in fulfilment cash flows relating to the asset for incurred claims;
d. Amounts relating to recoveries of losses on underlying onerous contracts and reversals thereof.

(D) Changes in the risk of non-performance by reinsurers.

C. Insurance finance income or expenses

(A) Insurance finance income or expenses include the following:

a. The effects of the time value of money and changes therein;
b. The effects of financial risk and changes therein.

(B) For contracts applying the General Measurement Model:

a. Interest accretion on fulfilment cash flows and the contractual service margin;
b. The effects of changes in interest rates and other financial assumptions;
c. The effects of foreign exchange rates.

(C) For contracts applying the Premium Allocation Approach:

a. Interest accretion on liabilities for incurred claims;
b. The effects of changes in interest rates and other financial assumptions.

(D) The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. Such changes are recognised entirely in the insurance service result.

(E) For contracts applying the General Measurement Model, the Company does not apply the presentation option in other comprehensive income and recognises all insurance finance income or expenses in profit or loss.

(F) For contracts applying the Premium Allocation Approach, the Company does not apply the presentation option in other comprehensive income and recognises all insurance finance income or expenses in profit or loss.

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

14. Other liabilities

Special reserves are divided into “Special Reserves for Major Accidents” and “Special Reserves for Risk Changes,” and in accordance with IAS 12 “Income Taxes,” the annually added provisions are deducted by the income taxes and listed in the special surplus reserve under equity. The amount to be written down or recovered as required by statutory regulations and deducted by income tax in accordance with IAS 12 can be carried out from the appropriated retained earnings of the special surplus reserve under equity.

On January 1, 2013, the special reserves initially set aside under insurance liabilities, including special reserves for major accidents and special reserves for risk changes for insurance types other than compulsory automobile liability insurance, nuclear energy insurance, policy-based basic residential earthquake insurance, commercial earthquake insurance, and typhoon flood insurance , have the highest priority to supplement the special reserves for major accidents and special reserves for risk changes to full level, listed under liabilities, and in accordance with IAS 12, the special reserves for major accidents and special reserves for risk changes of other insurance types are deducted by income taxes and listed in the special surplus reserve under equity.

Special Reserves for Catastrophic Event

The reserve for each insurance type is set aside in accordance with the ratio of special reserve for major accidents as stipulated by the competent authority.

For an accident qualified for the major disaster conditions issued by the authority, where the total amount of individual company's accumulated retained claims for each insurance type amounts to NT$30,000 thousand, and the total amount of the overall property insurance industry's claims payable for each insurance type exceeds NT$2,000,000 thousand, the claims can be written down from the special reserve for the major accidents.

Major accident special reserves for commercial earthquake insurance and typhoon flood insurance provided for more than 30 years can be withdrawn; major accident reserves for other insurance types provided for more than 15 years can have a withdrawal mechanism established by an actuary and sent to the competent authority for reference.

Special Reserves for Fluctuation of Risk

When the balance of the actual indemnity of an insurance written down from the insurance's major accident special reserve exceeds the expected indemnity, if it is a commercial earthquake insurance or a typhoon flood insurance, a special reserve for risk changes equal to 75% of the difference is set aside, and for the other insurance types, the special reserve is 15% of the difference.

When the balance of the actual indemnity of an insurance written down from its special reserve for major accidents exceeds the expected indemnity, the excess may be written down from the special reserve for risk changes. If the special reserve for risk changes is insufficient to write down the indemnity, special reserves for risk changes provided for other insurance types may be used for the write-down, and the insurance types as well as the amounts of the substitute write-down should comply with relevant regulations set by the competent authority and sent to the authority for reference.

When the accumulated special reserve for the risk changes in commercial earthquake insurance exceeds 18 times its current year's retained premiums earned, or such a reserve for the typhoon flood insurance exceeds 8 times its current year's retained premiums earned, or such a reserve for the accident insurance or the health insurance exceeds 30% of its current year's retained premiums earned, or such a reserve for other type insurance exceeds 30% of its current year's retained earned premium, the excess is withdrawn.

IFRS 17 Adaptation and Transfer to Special Reserves

In accordance with the letter No. 11504111391 of the Financial Supervisory Commission("Amendments to the Regulations Governing Catastrophe Reserves in the Property Insurance Industry") dated June 30, 2026 from the competent authority, the Company transferred the initial beneficial effect (before tax) arising from the first application of IFRS 17 to the special reserves under the liabilities of commercial earthquake insurance and typhoon and flood insurance, and handle the subsequent reduction and recovery procedures in accordance with the regulations.

15. Treasury stock

Treasury stocks are recognized at the acquisition cost and listed as a deduction of equity. The trading spread of treasury stocks is recognized under equity.

16. Share-based payment transactions

The cost of stock-based payment transactions between the Company and employees for equity delivery is measured at fair value of the equity instrument on the date of grant, and the fair value is measured by an appropriate pricing model. The date that the subscription price and the number of shares are confirmed is the grant date, on which the expenses are recognized at the fair value of the equity instruments, and the equity is increased accordingly.

17. Undertaking remnants and subrogation rights

The remnants of the direct underwriting business that are accepted by law as a result of the claims settlement are recognized at fair value; for the right of recovery of the equity of an underwriting object obtained by law, if the actual recovery situation is clear (likely future inflow of economic benefits) and the amount can be reliably measured, it is recognized.

18. Co-insurance organization, co-insurance and guarantee fund agreement

The Company has entered into a “Compulsory Automobile Liability Insurance Co-Insurance Contract” with all member companies that have been approved by the competent authority to operate compulsory automobile liability insurance, agreeing that all the underwritten business is included in the co-insurance, and violators must pay liquidated damages, and the co-insurance organization may audit the business. The underwritten co-insurance business is calculated based on pure premiums, which are allocated according to the agreed co-insurance ratio. Any member company participating in the co-insurance shall not arbitrarily withdraw from the business, except for liquidation or closure. Ceasing to operate the automobile liability insurance business spells withdrawal from the co-insurance at the same time, and the natural maturity mechanism is applied to the unexpired liabilities.

The company has entered into a “Travel Agency Performance Bond Co-Insurance Contract” with property insurance companies in the underlying business and reinsurance companies, agreeing that all the underwritten business is included in the co-insurance, and violators must pay liquidated damages, and the co-insurance organization may audit the business. The underwritten co-insurance business is calculated based on the inclusion of co-insurance premiums (i.e. risk premiums), and each member company bears its own co-insurance liabilities according to its underwriting portion, and is not jointly liable. A member company may notify the co-insurance organization in writing to withdraw from the co-insurance three months before the beginning of the following year; its initial co-insurance underwriting portion remains till the end of the current year, and it continues to be responsible for the unfulfilled liabilities till their natural maturity.

19. Stability fund

To protect the basic rights and interests of the insured and maintain financial stability according to Article 143-1 of the Insurance Law, a stability fund is established, of which a fund for compulsory insurance is set aside with the contribution rate based on Article 44 of the Compulsory Automobile Insurance Act, and another fund for non-compulsory insurance is also set aside according to the "Life Insurance and Property Insurance Stability Fund Contribution Standard," both of which are deposited in the Property Insurance Stability Fund, and booked under the account of Stability Fund Expenditure.

20. Retirement Benefits Plan

The Company's employee retirement plan is applicable to all employees who are officially employed, and a retirement fund is fully set aside for the management by the Supervisory Committee of Business Entities' Labor Retirement Reserve and deposited into a dedicated pension fund account; since the retirement fund is deposited in the name of the committee, it is completely separated from the Company, and therefore not included in the above financial statements.

For the post-retirement benefit plan of the defined contribution plan, the monthly pension contribution rate shall not be less than 6% of the employee's monthly salary, and the amount allocated is recognized as current expenses.

The post-retirement benefit plan of the defined benefit plan is listed based on an actuarial report with the projected unit credit method on the closing date of the reporting period. The remeasurement of the net defined benefit liability (asset) includes any changes in the return of plan assets and the impact of the asset ceiling, minus the net interest of the net defined benefit liability (asset), and actuarial gains and losses. When the remeasurement of the net defined benefit liability (asset) occurs, it is listed under other comprehensive income, and immediately recognized in retained surplus. The service cost of previous period is the amount of change in the present value of the defined benefit obligation caused by the planned revision or reduction, and is recognized as an expense on the earlier date of the following two:
(1) When the planned revision or reduction occurs; and
(2) When the related restructuring costs or resignation benefits are recognized.
The net interest of the net definite benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both of which are determined at the beginning of the annual reporting period, and then in consideration of any change in the net defined benefit liability (asset) due to the appropriated amount and benefit payment.

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events and disclosed accordingly.

21. Taxation

The income tax expense (benefit) refers to the aggregate amount related to the current income tax and deferred income tax included in the current gains and losses.

Income tax expenses in the current period

The current income tax liability (asset) related to the current and previous periods is measured by the tax rate and tax laws that have been legislated or substantively legislated at the end of the reporting period. The current income tax and those recognized as other comprehensive profit or loss or directly recognized as equity are respectively recognized as other comprehensive profit or loss other than gains and losses.

The additional profit-making enterprise income tax on the undistributed surplus is recognized as income tax expense on the day when the shareholders' meeting decides the surplus distribution.

Deferred tax

The deferred income tax is calculated based on the temporary difference between the tax basis of assets and liabilities and the book value on the balance sheet at the end of the reporting period.

Except for the following two, all the taxable temporary differences are recognized as deferred income tax liabilities:

(1) The initial recognition of goodwill; or the initially recognized assets or liabilities that are not generated by a business merger and does not affect accounting profits at the time of the transaction, nor does it affect the taxable incomes (losses), and no equivalent taxable and deductible temporary differences arise at the time of the transaction.
(2) Taxable temporary differences arising from investment in subsidiaries, affiliates and joint agreement equity, whose reversal timing is controllable and is unlikely to be reversed in the foreseeable future.

Except for the following two, deductible temporary differences, unused tax losses and deferred income tax assets arising from unused tax deductions are recognized within the range of possible future taxable incomes:

(1) Deductible temporary differences related to the initially recognized assets or liabilities from non-merger transactions that neither affect accounting profits nor taxable incomes (losses) at the time of the transaction, and no equivalent taxable and deductible temporary differences arise at the time of the transaction.
(2) Deductible temporary differences related to investment in subsidiaries, affiliates, and joint agreement equity that are likely to be reversed only in the foreseeable future, and recognized with sufficient taxable income at the time of reversal for use by the temporary differences.

Deferred income tax assets and liabilities are measured by the tax rate for the period in which the assets are expected to be realized or the liabilities settled, and the tax rate is based on the tax rate and tax law that has been legislated or substantively legislated at the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences arising from the book value of the assets expected to be recovered or the liabilities to be settled at the end of the reporting period. The deferred income tax related to items not recognized as gains and losses is not recognized as gains and losses; instead, it is recognized as other comprehensive profit or loss or directly as equity depending on it transaction. Deferred income tax assets are reviewed and recognized at the end of the reporting period.

The deferred income tax assets and liabilities have the statutory enforcement power to offset only the current income tax assets and liabilities, where the deferred income tax belongs to the same taxpayer and levied by the same tax authority.

The interim income tax expenses are accrued and disclosed at the tax rate applicable to the expected total earnings of the current year, that is, the estimated annual average effective tax rate is applied to the net income before tax of the interim period. The estimated annual average effective tax rate only includes the current income tax expense. The deferred income tax is consistent with the annual financial report and is recognized and measured in accordance with the provisions of IAS 12 “Income Tax.” When there is change in tax rate during the interim period, the impact of the change in tax rate on the deferred income tax shall be entirely recognized in the profit and loss, other comprehensive profit and loss, or directly recognized in the equity.

22. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments. The Board of Directors has been identified as the Company's principal decision-maker.

5. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of these financial statements requires management to make critical judgements in applying the Company’s accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

1. Critical judgements in applying the Company’s accounting policies

The critical judgement adopted by the Company for insurance contracts is that the premium allocation approach (PAA) is used as the primary measurement model for insurance and reinsurance contracts. For the coverage period of insurance and reinsurance contracts in the group is one year or less, PAA can be directly adopted to simplify the measurement of insurance contract groups. However, for some of the Company's insurance and reinsurance contracts with terms exceeding one year, the Company will establish a quantitative model (PAA eligibility test) based on the reasonably probable future cash flows. If the results show that the simplified PAA results are not materially different from those produced by the general measurement model, they will still meet the eligibility criteria for PAA. This PAA eligibility test is an important judgment item for measurement and disclosure in the financial statements.

2. Critical accounting estimates and assumptions

(1) Measurement of fair value of financial instruments
Except for those financial instruments for which public price information is available, the fair value of the Company’s financial instruments is obtained by valuation techniques. The fair value obtained through valuation techniques is calculated using the discounted cash flow method or other valuation techniques.
For the explanation of the fair value of financial instruments, please refer to Note 7.10.

(2) The insurance contracts issued and the reinsurance contracts held by the Company involve significant assumptions and estimates, primarily concerning claims estimates and the measurement of incurred claims liabilities (assets) to establish the loss development pattern.

Unit: NTD thousands (unless otherwise stated)

These assumptions include:

A. Estimates of the future cash flows

The Company estimates the expected value of all possible outcomes using an unbiased way, incorporate all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows. The estimates of future cash outflows are the expected future cash outflows minus the expected future cash inflows, excluding investment income, reinsurance contract cash flows and cash flows outside the contract boundary. Reported but not paid claims are estimated on a case-by-case basis by claims adjusters; for claims that incurred but not reported, models are established based on the characteristics of the insurance and the quality of the data, using the loss development triangle based on paid or reported claims or other appropriate actuarial methods(includes, but is not limited to, the loss development method, Bornhuetter-Ferguson method, Cape Cod method, the estimated loss ratio method, the maturity premium ratio method, the Benktander method, and the Berquist-Sherman method). The actuarial assumptions were selected based on years of experience in claims management and are used to estimate future payout patterns and project cash flow timings. The Company reassesses and adjusts these assumptions on each financial reporting date based on the latest available information.

B. Discount rate

The best estimate of the discount rate for the future cash flows of the Company’s liabilities (assets) for incurred claims should take into account current information in liquidity financial markets and be conducted in accordance with the methods specified by the competent authorities and International Financial Reporting Standards. The discount rate is determined using a bottom-up discount rate method. The liquidity discount is calculated in accordance with the relevant regulations of the competent authority, using the risk-free rate announced monthly by the Insurance Development Center and converting it to 30 years using the Smith-Wilson risk-free rate. The liquidity discount is determined by the General Bucket discount announced monthly by the Insurance Development Center.

The current discount rate information used for the company's incurred claims liabilities (assets) is as follows:

	January 1 to June 30,2026	January 1 to June 30,2025
Discount rate	1.45%~3.26%	1.53%~3.22%

C. The measurement of incurred claims liabilities (assets) to risk adjustment for non-financial risk

Risk adjustment for non-financial risks refers to the compensation required when measuring the estimated present value of future cash flows for the uncertainty of the amount and timing of cash flows arising from non-financial risks. The Company uses a stochastic simulation method to measure the risk adjustment of non-financial risks, and follows the relevant regulations of property and casualty insurance actuarial practice and competent authorities. The confidence level of the risk adjustment used by the Company to determine non-financial risks was 75% on June 30, 2026, December 31, 2025, and June 30, 2025.

(3) Post-retirement benefit plan

The defined benefit costs and the present value of defined benefit obligations in a post-retirement benefits plan depend on actuarial evaluation. Actuarial evaluation involves various assumptions, including discount rates and changes in expected salary. For a detailed explanation of the assumptions used to measure the defined benefit costs and obligations, please refer to Note 6.

Unit: NTD thousands (unless otherwise stated)

6. Major Accounting Items Described

1. Cash and Cash Equivalents

(1) This item is detailed as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	$4,696	$5,117	$4,398
Working capital	1,708	1,698	1,728
Check deposit	29,494	52,052	84,232
Demand deposits	1,624,848	502,407	791,010
Time deposits	207,340	12,265,139	11,869,365
Total	$1,868,086	$12,826,413	$12,750,733

(2) For the guarantee provided with the Company's bank deposits, please see Note 9.
(3) The company lists the time deposit account with a contract period of more than 3 months under financial assets at amortized cost, please see Note 6.5.

2. Accounts Receivable

(1) This item is detailed as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	$165,032	$204,901	$175,699
Notes receivable- Non-performing loans	7	5	-
Less: Allowance for losses	(1,658)	(2,054)	(1,757)
Net amount	$163,381	$202,852	$173,942
Other receivables	$524,521	$463,852	$432,727
Other receivable- Non-performing loans	459	1,396	365
Less: Allowance for losses	(2,000)	(3,219)	(1,886)
Net amount	$522,980	$462,029	$431,206
Total accounts receivable	$686,361	$664,881	$605,148

(2) The aging analysis of accounts receivable:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Other receivables			
Less than 90 days	$523,820	$463,852	$432,727
91–365 days	36	1,396	310
More than 366 days	1,124	-	55
Total	$524,980	$465,248	$433,092

Unit: NTD thousands (unless otherwise stated)

All notes receivable of the Company have maturities of less than 90 days.

(3) The Impairment is assessed according to the "Guidelines for Handling Assessment of Assets, Overdue and Non-Performing Loans and Bad Debts by Insurance Enterprises" and IFRS 9. For the details of allowance for losses, please see Note 7.

3. Financial Assets and Financial Liabilities Measured at Fair Value through Profit orLoss

(1) This item is detailed as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets compulsorily measured at fair value through profit or loss:			
Fund	$2,568,503	$2,728,083	$3,475,653
Stock	1,014,929	7,139,782	5,701,589
Financial bonds	2,048,782	50,114	50,101
Corporate Bonds	2,338,378	-	-
Asset securities	-	1,373,021	1,402,744
Derivatives	-	20,545	233,681
Total	$7,970,592	$11,311,545	$10,863,768

Item	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities compulsorily measured at fair value through profit or loss:			
Derivatives	$133,509	$80,758	$-

(2) The details of financial assets and financial liabilities measured at fair value through profit or loss recognized in profit or loss are as follows:

Item	April 1 to June 30, 2026	April 1 to June 30, 2025
Equity Instruments	$484,304	$39,379
Debt Instruments	32,273	592
Beneficiary Certificate	141,755	150,254
Derivatives	2,307	375,557
Total	$660,639	$565,782

Item	January 1 to June 30, 2026	January 1 to June 30, 2025
Equity Instruments	$498,640	($154,692)
Debt Instruments	85,436	1,177
Beneficiary Certificate	211,854	12,424
Derivatives	(78,900)	305,094
Total	$717,030	$164,003

(3) No guarantee provided for the financial assets measured at fair value through profit or loss.

Unit: NTD thousands (unless otherwise stated)

(4) For information on the effects of the initial application of IFRS 17 and the redesignation of financial assets, please refer to Note 23.9.

(5) Information relating to derivatives that do not qualify for hedge accounting and remain outstanding as of June 30, 2026, December 31, 2025, and June 30,2025 is set out below:

June 30, 2026

Financial Product	Book amount	Contract amount (Notional Principal)	Contract period
Forward Foreign Exchange Contracts	($133,509)	USD105,000	2025.07.16-2027.04.29

December 31, 2025

Financial Product	Book amount	Contract amount (Notional Principal)	Contract period
Forward Foreign Exchange Contracts	($60,213)	USD108,000	2025.04.28-2026.12.31

June 30, 2025

Financial Product	Book amount	Contract amount (Notional Principal)	Contract period
Forward Foreign Exchange Contracts	$233,681	USD108,000	2024.07.16-2026.04.30

4. Financial Assets measured at Fair Value through Other Comprehensive Profit or Loss

(1) This item is detailed as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Equity instruments measured at fair value through other comprehensive profit or loss:			
Unlisted stocks (including OTC)	$559,471	$213,202	$232,926
Listed stocks (including OTC)	8,521,233	-	-
Preference shares	747,935	747,717	734,868
Asset securities	1,341,299	-	-
Debt instruments measured at fair value through other comprehensive profit or loss:			
Corporate bonds	299,302	298,772	295,402
Total	$11,469,240	$1,259,691	$1,263,196

(2) The 2026 and January 1, 2025 to June 30, 2025 dividend incomes from equity instruments measured at fair value through other comprehensive profit or loss are as follows:

Unit: NTD thousands (unless otherwise stated)

	April 1 to June 30 ,2026	April 1 to June 30, 2025
Investments still held on the balance sheet date	$65,075	$22,837
Realized gain on investment related	-	-
Dividend income recognized in the current period	$65,075	$22,837

	January 1 to June 30 ,2026	January 1 to June 30, 2025
Investments still held on the balance sheet date	$74,535	$22,837
Realized gain on investment related	-	-
Dividend income recognized in the current period	$74,535	$22,837

(3) No guarantee provided for the financial assets measured at fair value through other comprehensive profit or loss. For details of relevant credit risks, please see Note 7.

(4) For information on the effects of the initial application of IFRS 17 and the redesignation of financial assets, please refer to Note 23.9.

(5) During the period from April 1 to June 30, 2026 and January 1 to June 30, 2026, the Company disposed of financial assets at fair value through other comprehensive income with a fair value of $110,802 and $200,907 , taking into consideration asset allocation and the management of investment returns and risks. The cumulative profit (loss) on disposal of such investments amounted to $2,910 and ($26,237). The aforementioned disposal loss was reclassified from other equity to retained earnings.

5. Financial Assets Measured at Amortized Cost

Item	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds	$511,986	$513,898	$515,838
Corporate bonds	7,927,710	9,749,479	9,009,664
Financial liabilities	5,931,416	5,839,753	5,588,102
Time deposits	9,715,300	-	-
minus: Refundable deposits	(511,884)	(513,802)	(515,741)
Less: Allowance for losses	(7,215)	(8,116)	(7,546)
Total	$23,567,313	$15,581,212	$14,590,317

(1) The details of profit or loss of financial assets measured at amortized Cost are as follows:

	April 1 to June 30, 2026	April 1 to June 30, 2025
Interest income	$87,147	$94,381
Impairment loss	(351)	(425)
Disposal gains and losses	-	-
Total	$86,796	$93,956

Unit: NTD thousands (unless otherwise stated)

	January 1 to June 30, 2026	January 1 to June 30, 2025
Interest income	$168,368	$184,633
Impairment loss	(446)	(488)
Disposal gains and losses	-	14,782
Total	$167,922	$198,927

(2) The Company did not dispose of any financial assets measured at amortized cost from April 1 to June 30, 2026, and January 1 and June 30, 2026. From April 1 to June 30, 2025 and January 1 to June 30, 2025, the company disposed of some corporate bonds in advance due to long-term asset allocation considerations and the individual and aggregated amounts were not significant, resulting in a disposal loss of $0 and $14,782, respectively.

(3) The security deposit takes the government bonds as its collateral and re-recognized as a refundable deposit. Please see Note 9. for more information. For information about the credit risks, please see Note 7.

(4) For information on the effects of the initial application of IFRS 17 and the redesignation of financial assets, please refer to Note 23.9.

6. Other financial assets

Item	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits	$-	$300,000	$300,000
Less: Allowance for losses	-	(51)	(173)
Net amount	$-	$299,949	$299,827

No guarantee provided for the other financial assets. For details of relevant credit risks, please see Note 7.

Unit: NTD thousands (unless otherwise stated)

7. Property, Plant, and Equipment

(1) This item is detailed as follows:

	Land	Buildings and structures	Miscellaneous equipment	Prepayments for equipment	Total
Costs:					
January 1, 2026	$683,448	$451,496	$500,668	$23,189	$1,658,801
Additions	-	-	13,695	12,791	26,486
Disposition	-	-	(27,716)	-	(27,716)
Transfer	-	-	-	(10,001)	(10,001)
June 30, 2026	$683,448	$451,496	$486,647	$25,979	$1,647,570
January 1, 2025	$752,899	$498,442	$468,196	$65,195	$1,784,732
Additions	-	-	49,971	16,576	66,547
Disposition	-	-	(10,620)	-	(10,620)
Transfer	(5,100)	(2,675)	32,458	(68,013)	(43,330)
June 30, 2025	$747,799	$495,767	$540,005	$13,758	$1,797,329
Depreciation & impairment:					
January 1, 2026	$-	($245,999)	($348,599)	$-	($594,598)
Depreciation	-	(3,510)	(28,358)	-	(31,868)
Disposition	-	-	26,844	-	26,844
June 30, 2026	$-	($249,509)	($350,113)	$-	($599,622)
January 1, 2025	$-	($246,569)	($371,368)	$-	($617,937)
Depreciation	-	(4,015)	(24,222)	-	(28,237)
Disposition	-	-	10,614	-	10,614
Transfer		1,097	-		1,097
June 30, 2025	$-	($249,487)	($384,976)	$-	($634,463)
Net book values:					
June 30, 2026	$683,448	$201,987	$136,534	$25,979	$1,047,948
December 31, 2025	$683,448	$205,497	$152,069	$23,189	$1,064,203
June 30, 2025	$747,799	$246,280	$155,029	$13,758	$1,162,866

(2) No guarantee provided for the above assets.

(3) For details regarding the Company's anticipated disposal of real estate after the reporting period, please refer to Note 11.

Unit: NTD thousands (unless otherwise stated)

8. Investment property

(1) This item is detailed as follows:

	Land	Buildings and structures	Total
Costs:			
January 1, 2026	$2,123,033	$597,539	$2,720,572
Disposition	-	-	-
Transfer from property, plant, and equipment	-	-	-
June 30, 2026	$2,123,033	$597,539	$2,720,572
January 1, 2025	$2,141,997	$606,380	$2,748,377
Disposition	-	-	-
Transfer from property, plant, and equipment	5,100	2,675	7,775
June 30, 2025	$2,147,097	$609,055	$2,756,152
Depreciation & impairment:			
January 1, 2026	($22,608)	($219,980)	($242,588)
Depreciation	-	(8,304)	(8,304)
Disposition	-	-	-
Transfer from property, plant, and equipment	-	-	-
June 30, 2026	($22,608)	($228,284)	($250,892)
January 1, 2025	($22,608)	($206,775)	($229,383)
Depreciation	-	(8,426)	(8,426)
Disposition	-	-	-
Transfer from property, plant, and equipment	-	(1,097)	(1,097)
June 30, 2025	($22,608)	($216,298)	($238,906)
Net book values:			
June 30, 2026	$2,100,425	$369,255	$2,469,680
December 31, 2025	$2,100,425	$377,559	$2,477,984
June 30, 2025	$2,124,489	$392,757	$2,517,246

Unit: NTD thousands (unless otherwise stated)

	April 1 to June 30 ,2026	April 1 to June 30, 2025
Rental income from investment property	$15,017	$19,428
minus: direct operating expenses incurred by investment property that generates rental income in the current period	(3,166)	(3,426)
Total	$11,851	$16,002

	January 1 to June 30 ,2026	January 1 to June 30, 2025
Rental income from investment property	$31,383	$38,336
minus: direct operating expenses incurred by investment property that generates rental income in the current period	(3,657)	(3,745)
Total	$27,726	$34,591

(2) No guarantee provided for the above assets.

(3) The investment property is not measured at fair value, but the fair value information is revealed, and the fair value is of level 3. The fair values of the investment property was $3,356,203, $3,356,203 and $3,184,509 respectively on June 30, 2026, December 31,2025 and June 30, 2025, and the fair values were evaluated by an external independent valuation expert. The fair values were determined and supported by market evidence, using at least two evaluation methods, such as comparative approach and cost approach, and estimated with the weighted score method, in which the main parameters used are:

	June 30, 2026	December 31, 2025	June 30, 2025
Discounted rate	1.62%~3.70%	1.62%~3.70%	1.55%~3.84%

9. Intangible Assets

(1) This item is detailed as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Net book values:	$42,169	$48,358	$53,989

(2) The cost of intangible assets acquired by the Company from January 1 to June 30, 2026 and 2025 were $0 and $3,181, respectively; the amortization expenses were ($6,189) and ($9,117), respectively.

(3) The costs of intangible assets disposed of by the Company from January 1 to June 30, 2026 and 2025 were $4,600 and $0, respectively; the accumulated amortizations were ($4,600) and $0, respectively.

(4) The costs of intangible assets transferred by the Company from January 1 to June 30, 2026 and 2025 were $0 and $33,955, respectively.

Unit: NTD thousands (unless otherwise stated)

10. Other Assets

(1) This item is detailed as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments	$119,331	$47,382	$50,395
Net defined benefit assets	45,371	44,141	6,305
Refundable deposits	695,198	823,832	792,847
Other assets - others	77,105	96,349	73,173
Total	$937,005	$1,011,704	$922,720

(2) The Refundable Deposits are detailed as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Insurance business deposits	$511,884	$513,802	$515,741
Club deposits	36,839	36,839	37,679
Other deposits	161,954	288,670	255,046
minus: cumulative impairment losses	(15,479)	(15,479)	(15,619)
Total	$695,198	$823,832	$792,847

(3) In accordance with Articles 141 and 142 of the Insurance Law, bonds are deposited in the Central Bank as the insurance deposits.

11. Accounts Payables

Item	June 30, 2026	December 31, 2025	June 30, 2025
Other payables	$3,690,986	$1,357,766	$3,367,188

(The following is blank)

Unit: NTD thousands (unless otherwise stated)

12. Insurance Liability

(1) The reconciliation of assets and liabilities for insurance contracts issued by the Company is as follows:

	Liabilities for Remaining Coverage				The liability for incurred claims that applying the premium allocation approach			
	Excluding any loss component	Any loss component	Subtotal	The liability for incurred claims that applying the general measurement model and the variable fee approach	The risk adjustment for estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Subtotal	Total
Opening balance of insurance contract assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Opening balance of insurance contract liabilities	11,171,761	53,294	11,225,055	5,437,375	9,695,912	1,811,254	11,507,166	28,169,596
Net balance as of January 1, 2026	11,171,761	53,294	11,225,055	5,437,375	9,695,912	1,811,254	11,507,166	28,169,596
Insurance revenue								
Insurance contracts that applied the modified retrospective	(49,695)	-	(49,695)	-	-	-	-	(49,695)
Insurance contracts that applied the fair value approach	(1,645)	-	(1,645)	-	-	-	-	(1,645)
All other contracts	(13,561,227)	-	(13,561,227)	-	-	-	-	(13,561,227)
Subtotal of insurance revenue	(13,612,567)	-	(13,612,567)	-	-	-	-	(13,612,567)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-	-	1,743,017	6,946,720	706,667	7,653,387	9,396,404
Changes that relate to past service — changes in fulfilment cash flows relating to the liability for incurred claims	-	-	-	(987,314)	(884,407)	(949,417)	(1,833,824)	(2,821,138)
Changes that relate to future service — losses and reversals of losses on onerous groups of contracts	-	53,620	53,620	-	-	-	-	53,620
Amortisation of insurance acquisition cash flows	2,334,058	-	2,334,058	-	-	-	-	2,334,058
Subtotal of Insurance service expenses	2,334,058	53,620	2,387,678	755,703	6,062,313	(242,750)	5,819,563	8,962,944
Insurance service result	(11,278,509)	53,620	(11,224,889)	755,703	6,062,313	(242,750)	5,819,563	(4,649,623)
Insurance finance income or expenses								
Insurance finance income or expenses recognised in profit	(12,601)	8,630	(3,971)	9,414	33,461	5,511	38,972	44,415
Subtotal of insurance finance income or expenses	(12,601)	8,630	(3,971)	9,414	33,461	5,511	38,972	44,415
Total amount recognized in the statement of comprehensive	(11,291,110)	62,250	(11,228,860)	765,117	6,095,774	(237,239)	5,858,535	(4,605,208)
Cash flows in the period								
Premiums received for insurance contracts issued	13,618,384	-	13,618,384	-	-	-	-	13,618,384
Incurred claims paid and other insurance service expenses paid for insurance contracts issued	-	-	-	(697,541)	(6,473,647)	-	(6,473,647)	(7,171,188)
Insurance acquisition cash flows	(2,366,875)	-	(2,366,875)	-	-	-	-	(2,366,875)
Subtotal of cash flow during the period	11,251,509	-	11,251,509	(697,541)	(6,473,647)	-	(6,473,647)	4,080,321
Closing balance of insurance contract assets	-	-	-	-	-	-	-	-
Closing balance of insurance contract liabilities	11,132,160	115,544	11,247,704	5,504,951	9,318,039	1,574,015	10,892,054	27,644,709
Net balance as of June 30, 2026	$ 11,132,160	$ 115,544	$ 11,247,704	$ 5,504,951	$ 9,318,039	$ 1,574,015	$ 10,892,054	$ 27,644,709

Unit: NTD thousands (unless otherwise stated)

	Liabilities for Remaining Coverage				The liability for incurred claims that applying the premium allocation approach			
	Excluding any loss component	Any loss component	Subtotal	The liability for incurred claims that applying the general measurement model and the variable fee approach	The risk adjustment for estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Subtotal	Total
Opening balance of insurance contract assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Opening balance of insurance contract liabilities	9,964,004	20,819	9,984,823	3,241,361	8,614,425	1,474,771	10,089,196	23,315,380
Net balance as of January 1, 2025	9,964,004	20,819	9,984,823	3,241,361	8,614,425	1,474,771	10,089,196	23,315,380
Insurance revenue								
Insurance contracts that applied the modified retrospective approach	(186,890)	-	(186,890)	-	-	-	-	(186,890)
Insurance contracts that applied the fair value approach	(1,943)	-	(1,943)	-	-	-	-	(1,943)
All other contracts	(12,676,345)	-	(12,676,345)	-	-	-	-	(12,676,345)
Subtotal of insurance revenue	(12,865,178)	-	(12,865,178)	-	-	-	-	(12,865,178)
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-	-	867,003	7,811,437	781,361	8,592,798	9,459,801
Changes that relate to past service — changes in fulfilment cash flows relating to the liability for incurred claims	-	-	-	31,846	184,514	(67,910)	116,604	148,450
Changes that relate to future service — losses and reversals of losses on onerous groups of contracts	-	(2,222)	(2,222)	-	-	-	-	(2,222)
Amortisation of insurance acquisition cash flows	2,301,689	-	2,301,689	-	-	-	-	2,301,689
Subtotal of Insurance service expenses	2,301,689	(2,222)	2,299,467	898,849	7,995,951	713,451	8,709,402	11,907,718
Insurance service result	(10,563,489)	(2,222)	(10,565,711)	898,849	7,995,951	713,451	8,709,402	(957,460)
Insurance finance income or expenses								
Insurance finance income or expenses recognised in profit or loss – interest rate related	41,343	3,601	44,944	34,446	97,891	17,599	115,490	194,880
Subtotal of insurance finance income or expenses	41,343	3,601	44,944	34,446	97,891	17,599	115,490	194,880
Total amount recognized in the statement of comprehensive income	(10,522,146)	1,379	(10,520,767)	933,295	8,093,842	731,050	8,824,892	(762,580)
Cash flows in the period								
Premiums received for insurance contracts issued	14,131,973	-	14,131,973	-	-	-	-	14,131,973
Incurred claims paid and other insurance service expenses paid for insurance contracts issued	-	-	-	(530,206)	(6,371,386)	-	(6,371,386)	(6,901,592)
Insurance acquisition cash flows	(2,356,795)	-	(2,356,795)	-	-	-	-	(2,356,795)
Subtotal of cash flow during the period	11,775,178	-	11,775,178	(530,206)	(6,371,386)	-	(6,371,386)	4,873,586
Closing balance of insurance contract assets	-	-	-	-	-	-	-	-
Closing balance of insurance contract liabilities	11,217,036	22,198	11,239,234	3,644,450	10,336,881	2,205,821	12,542,702	27,426,386
Net balance as of June 30, 2025	$ 11,217,036	$ 22,198	$ 11,239,234	$ 3,644,450	$ 10,336,881	$ 2,205,821	$ 12,542,702	$ 27,426,386

Unit: NTD thousands (unless otherwise stated)

(2) The reconciliation of the components of insurance contract assets and liabilities issued by the Company (excluding contracts applying the Premium Allocation Approach) is presented as follows:

			Contractual service margin				
	Estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Insurance contracts that applied the modified retrospective approach	Insurance contracts that applied the fair value approach	All other contracts	Subtotal	Total
Opening balance of insurance contract assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Opening balance of insurance contract liabilities	6,602,680	1,710,143	14,670	7,018	806,654	828,342	9,141,165
Net balance as of January 1, 2026	6,602,680	1,710,143	14,670	7,018	806,654	828,342	9,141,165
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	(115,464)	(43,955)	4,142	299	154,978	159,419	-
Losses and reversals of losses on groups of onerous contracts	(9,734)	(1,530)	7	-	3,367	3,374	(7,890)
The effects of contracts initially recognised in the period	(1,001,204)	357,754	7,999	-	640,615	648,614	5,164
Subtotal of changes that relate to future service	(1,126,402)	312,269	12,148	299	798,960	811,407	(2,726)
Changes that relate to current service							
The amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	(5,940)	(1,375)	(522,908)	(530,223)	(530,223)
does not relate to future service or past service	-	(121,764)	-	-	-	-	(121,764)
Experience adjustments	141,164	-	-	-	-	-	141,164
Subtotal of changes that relate to current service	141,164	(121,764)	(5,940)	(1,375)	(522,908)	(530,223)	(510,823)
Changes that relate to past service							
Changes in fulfilment cash flows relating to incurred claims	(773,889)	(213,425)	-	-	-	-	(987,314)
Subtotal of changes that relate to past service	(773,889)	(213,425)	-	-	-	-	(987,314)
Insurance finance income or expenses or loss – interest rate related	(10,844)	(3,194)	107	51	8,155	8,313	(5,725)
Subtotal of insurance finance income or expenses	(10,844)	(3,194)	107	51	8,155	8,313	(5,725)
Total amount recognized in the statement of comprehensive	(1,769,971)	(26,114)	6,315	(1,025)	284,207	289,497	(1,506,588)
Cash flows in the period							
Premiums received for insurance contracts issued	3,037,840	-	-	-	-	-	3,037,840
Incurred claims paid and other insurance service expenses paid for insurance contracts issued	(697,541)	-	-	-	-	-	(697,541)
Insurance acquisition cash flows	(261,825)	-	-	-	-	-	(261,825)
Subtotal of cash flow during the period	2,078,474	-	-	-	-	-	2,078,474
Closing balance of insurance contract assets	-	-	-	-	-	-	-
Closing balance of insurance contract liabilities	6,911,183	1,684,029	20,985	5,993	1,090,861	1,117,839	9,713,051
Net balance as of June 30, 2026	$ 6,911,183	$ 1,684,029	$ 20,985	$ 5,993	$ 1,090,861	$ 1,117,839	$ 9,713,051

Unit: NTD thousands (unless otherwise stated)

	Estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Contractual service margin: Insurance contracts that applied the modified retrospective approach	Contractual service margin: Insurance contracts that applied the fair value approach	Contractual service margin: All other contracts	Contractual service margin: Subtotal	Total
Opening balance of insurance contract assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Opening balance of insurance contract liabilities	5,260,889	832,998	50,900	10,427	1,053,880	1,115,207	7,209,094
Net balance as of January 1, 2025	5,260,889	832,998	50,900	10,427	1,053,880	1,115,207	7,209,094
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	293,226	61,680	(25,969)	(259)	(328,678)	(354,906)	-
Losses and reversals of losses on groups of onerous contracts	(5,296)	15	490	-	1,622	2,112	(3,169)
The effects of contracts initially recognised in the period	(960,489)	425,904	11,679	-	522,847	534,526	(59)
Subtotal of changes that relate to future service	(672,559)	487,599	(13,800)	(259)	195,791	181,732	(3,228)
Changes that relate to current service							
The amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	(12,379)	(1,644)	(435,797)	(449,820)	(449,820)
The change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(165,049)	-	-	-	-	(165,049)
Experience adjustments	(452,443)	-	-	-	-	-	(452,443)
Subtotal of changes that relate to current service	(452,443)	(165,049)	(12,379)	(1,644)	(435,797)	(449,820)	(1,067,312)
Changes that relate to past service							
Changes in fulfilment cash flows relating to incurred claims	69,509	(37,662)	-	-	-	-	31,847
Subtotal of changes that relate to past service	69,509	(37,662)	-	-	-	-	31,847
Insurance finance income or expenses							
Insurance finance income or expenses recognised in profit or loss – interest rate related	54,626	10,485	346	70	7,699	8,115	73,226
Subtotal of insurance finance income or expenses	54,626	10,485	346	70	7,699	8,115	73,226
Total amount recognized in the statement of comprehensive	(1,000,867)	295,373	(25,833)	(1,833)	(232,307)	(259,973)	(965,467)
Cash flows in the period							
Premiums received for insurance contracts issued	1,675,264	-	-	-	-	-	1,675,264
Incurred claims paid and other insurance service expenses paid for insurance contracts issued	(531,733)	-	-	-	-	-	(531,733)
Insurance acquisition cash flows	(279,050)	-	-	-	-	-	(279,050)
Subtotal of cash flow during the period	864,481	-	-	-	-	-	864,481
Closing balance of insurance contract assets	-	-	-	-	-	-	-
Closing balance of insurance contract liabilities	5,124,503	1,128,371	25,067	8,594	821,573	855,234	7,108,108
Net balance as of June 30, 2025	$ 5,124,503	$ 1,128,371	$ 25,067	$ 8,594	$ 821,573	$ 855,234	$ 7,108,108

Unit: NTD thousands (unless otherwise stated)

(3) The reconciliation of reinsurance contract assets and liabilities held by the Company is presented as follows:

	The asset for remaining coverage				The asset for incurred claims that applying the premium allocation approach			
	Excluding Loss-Recovery component	Loss-Recovery component	Subtotal	Asset for incurred claims under the General Measurement Model	Estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Subtotal	Total
Opening balance of reinsurance contract assets held	$ 1,406,954	$ 11,336	$ 1,418,290	$ 1,148,840	$ 6,729,031	$ 990,382	$ 7,719,413	$ 10,286,543
Opening balance of reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance as of January 1, 2026	1,406,954	11,336	1,418,290	1,148,840	6,729,031	990,382	7,719,413	10,286,543
Allocation of the premiums paid	(3,452,285)	-	(3,452,285)	-	-	-	-	(3,452,285)
The amounts recovered from the reinsurer								
Incurred claims recovered from reinsurers	-	-	-	434,025	2,359,887	368,003	2,727,890	3,161,915
Loss-Recovery and reversal of onerous underlying insurance contract groups	-	42,910	42,910	-	-	-	-	42,910
Changes that relate to past service — the adjustment for the asset for incurred claims	-	-	-	(327,036)	(1,383,562)	(417,659)	(1,801,221)	(2,128,257)
Subtotal of the amounts recovered from the reinsurer	-	42,910	42,910	106,989	976,325	(49,656)	926,669	1,076,568
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	56	-	56	57	109	-	109	222
Income or expenses from reinsurance contracts held	(3,452,229)	42,910	(3,409,319)	107,046	976,434	(49,656)	926,778	(2,375,495)
Finance income or expenses of reinsurance contracts held								
Insurance finance income or expenses from reinsurance contracts held recognised in profit or loss – interest rate related	9,637	53	9,690	3,113	14,028	4,099	18,127	30,930
Subtotal of income or expenses from reinsurance contracts held	9,637	53	9,690	3,113	14,028	4,099	18,127	30,930
Total amount recognized in the statement of comprehensive	(3,442,592)	42,963	(3,399,629)	110,159	990,462	(45,557)	944,905	(2,344,565)
Investment component	-	-	-	-	-	-	-	-
Other changes	27,403	-	27,403	-	-	-	-	27,403
Cash flows in the period								
The amounts charged (recovered under reinsurance contracts held)	-	-	-	(173,604)	(1,288,338)	-	(1,288,338)	(1,461,942)
The amounts paid (paid for reinsurance contracts held)	3,514,132	-	3,514,132	-	-	-	-	3,514,132
Subtotal of cash flows in the period	3,514,132	-	3,514,132	(173,604)	(1,288,338)	-	(1,288,338)	2,052,190
Closing balance of reinsurance contract assets held	1,505,897	54,299	1,560,196	1,085,395	6,431,155	944,825	7,375,980	10,021,571
Closing balance of reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance as of June 30, 2026	$ 1,505,897	$ 54,299	$ 1,560,196	$ 1,085,395	$ 6,431,155	$ 944,825	$ 7,375,980	$ 10,021,571

Unit: NTD thousands (unless otherwise stated)

	The asset for remaining coverage				The asset for incurred claims that applying the premium allocation approach			
	Excluding Loss-Recovery component	Loss-Recovery component	Subtotal	Asset for incurred claims under the General	Estimates of the present value of the future cash	The risk adjustment for non-financial risk	Subtotal	Total
Opening balance of reinsurance contract assets held	$ 1,396,151	$ 1,057	$ 1,397,208	$ 849,830	$ 5,257,694	$ 607,998	$ 5,865,692	$ 8,112,730
Opening balance of reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance as of January 1, 2025	1,396,151	1,057	1,397,208	849,830	5,257,694	607,998	5,865,692	8,112,730
Allocation of the premiums paid	(2,850,908)	-	(2,850,908)	-	-	-	-	(2,850,908)
The amounts recovered from the reinsurer								
Incurred claims recovered from reinsurers	-	-	-	213,696	3,457,209	580,764	4,037,973	4,251,669
Loss-Recovery and reversal of onerous underlying insurance contract groups	-	5,410	5,410	-	-	-	-	5,410
Changes that relate to past service — the adjustment for the asset for incurred claims	-	-	-	44,303	(277,129)	17,680	(259,449)	(215,146)
Subtotal of the amounts recovered from the reinsurer	-	5,410	5,410	257,999	3,180,080	598,444	3,778,524	4,041,933
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	80	-	80	(2)	(27)	-	(27)	51
Income or expenses from reinsurance contracts held	(2,850,828)	5,410	(2,845,418)	257,997	3,180,053	598,444	3,778,497	1,191,076
Finance income or expenses of reinsurance contracts held								
Insurance finance income or expenses from reinsurance contracts held recognised in profit or loss – interest rate related	12,932	9	12,941	8,259	62,119	10,538	72,657	93,857
Subtotal of income or expenses from reinsurance contracts held	12,932	9	12,941	8,259	62,119	10,538	72,657	93,857
Total amount recognized in the statement of comprehensive	(2,837,896)	5,419	(2,832,477)	266,256	3,242,172	608,982	3,851,154	1,284,933
Investment component	-	-	-	-	-	-	-	-
Other changes	22,270	-	22,270	-	-	-	-	22,270
Cash flows in the period								
The amounts charged (recovered under reinsurance contracts held)	-	-	-	(97,657)	(1,833,581)	-	(1,833,581)	(1,931,238)
The amounts paid (paid for reinsurance contracts held)	3,033,514	-	3,033,514	-	-	-	-	3,033,514
Subtotal of cash flows in the period	3,033,514	-	3,033,514	(97,657)	(1,833,581)	-	(1,833,581)	1,102,276
Closing balance of reinsurance contract assets held	1,614,039	6,476	1,620,515	1,018,429	6,666,285	1,216,980	7,883,265	10,522,209
Closing balance of reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance as of June 30, 2025	$ 1,614,039	$ 6,476	$ 1,620,515	$ 1,018,429	$ 6,666,285	$ 1,216,980	$ 7,883,265	$ 10,522,209

Unit: NTD thousands (unless otherwise stated)

(4) The reconciliation of the components of reinsurance contract assets and liabilities held by the Company (excluding contracts applying the Premium Allocation Approach) is presented as follows:

			Contractual service margin				
	Estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Insurance contracts that applied the modified retrospective approach	Insurance contracts that applied the fair value approach	All other contracts	Subtotal	Total
Opening balance of reinsurance contract assets held	$ 956,583	$ 232,926	$ 26,386	$ 699	$ 115,282	$ 142,367	$ 1,331,876
Opening balance of reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance as of January 1, 2026	956,583	232,926	26,386	699	115,282	142,367	1,331,876
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	(65,658)	22,518	(8,674)	(3)	51,817	43,140	-
Loss-Recovery and reversals relating to onerous underlying insurance contracts	108	-	78	-	72	150	258
The effects of contracts initially recognised in the period	(143,267)	68,758	-	-	74,831	74,831	322
Subtotal of changes that relate to future service	(208,817)	91,276	(8,596)	(3)	126,720	118,121	580
Changes that relate to current service							
The amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	(4,435)	(131)	(63,961)	(68,527)	(68,527)
The change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	1,978	-	-	-	-	1,978
Experience adjustments	255,147	-	-	-	-	-	255,147
Subtotal of changes that relate to current service	255,147	1,978	(4,435)	(131)	(63,961)	(68,527)	188,598
Changes that relate to past service							
The adjustment for the asset for incurred claims	(289,415)	(37,621)	-	-	-	-	(327,036)
Subtotal of changes that relate to past service	(289,415)	(37,621)	-	-	-	-	(327,036)
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	600	-	-	-	(487)	(487)	113
Income or expenses from reinsurance contracts held	(242,485)	55,633	(13,031)	(134)	62,272	49,107	(137,745)
Finance income or expenses of reinsurance contracts held							
Insurance finance income or expenses from reinsurance contracts held recognised in profit or loss – interest rate related	(386)	379	179	5	1,284	1,468	1,461
Subtotal of finance income or expenses of reinsurance contracts held	(386)	379	179	5	1,284	1,468	1,461
Other changes	27,403	-	-	-	-	-	27,403
Cash flows in the period							
The amounts charged (recovered under reinsurance contracts held)	(173,604)	-	-	-	-	-	(173,604)
The amounts paid (paid for reinsurance contracts held)	214,895	-	-	-	-	-	214,895
Subtotal of cash flows in the period	41,291	-	-	-	-	-	41,291
Closing balance of reinsurance contract assets held	782,406	288,938	13,534	570	178,838	192,942	1,264,286
Closing balance of reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance as of June 30, 2026	$ 782,406	$ 288,938	$ 13,534	$ 570	$ 178,838	$ 192,942	$ 1,264,286

Unit: NTD thousands (unless otherwise stated)

			Contractual service margin				
	Estimates of the present value of the future cash flows	The risk adjustment for non-financial risk	Insurance contracts that applied the modified retrospective approach	Insurance contracts that applied the fair value approach	All other contracts	Subtotal	Total
Opening balance of reinsurance contract assets held	$ 787,394	$ 197,217	$ 24,703	$ 1,032	$ 35,950	$ 61,685	$ 1,046,296
Opening balance of reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance as of January 1, 2025	787,394	197,217	24,703	1,032	35,950	61,685	1,046,296
Changes that relate to future service							
Changes in estimates that adjust the contractual service margin	(122,286)	(5,121)	30,180	(16)	97,241	127,405	(2)
Loss-Recovery and reversals relating to onerous underlying insurance contracts	216	-	56	-	129	185	401
The effects of contracts initially recognised in the period	(139,918)	56,321	1,016	-	82,750	83,766	169
Subtotal of changes that relate to future service	(261,988)	51,200	31,252	(16)	180,120	211,356	568
Changes that relate to current service							
The amount of the contractual service margin recognised in profit or loss to reflect the transfer of services	-	-	(17,350)	(165)	(38,359)	(55,874)	(55,874)
The change in the risk adjustment for non-financial risk that does not relate to future service or past service	-	(37,872)	-	-	-	-	(37,872)
Experience adjustments	2,752	-	-	-	-	-	2,752
Subtotal of changes that relate to current service	2,752	(37,872)	(17,350)	(165)	(38,359)	(55,874)	(90,994)
Changes that relate to past service							
The adjustment for the asset for incurred claims	27,135	17,168	-	-	-	-	44,303
Subtotal of changes that relate to past service	27,135	17,168	-	-	-	-	44,303
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts held	615	-	(1)	-	(536)	(537)	78
Income or expenses from reinsurance contracts held	(231,486)	30,496	13,901	(181)	141,225	154,945	(46,045)
Finance income or expenses of reinsurance contracts held							
Insurance finance income or expenses from reinsurance contracts held recognised in profit or loss – interest rate related	6,741	2,140	160	7	492	659	9,540
Subtotal of finance income or expenses of reinsurance contracts held	6,741	2,140	160	7	492	659	9,540
Other changes	22,270	-	-	-	-	-	22,270
Cash flows in the period							
The amounts charged (recovered under reinsurance contracts held)	(165,508)	-	-	-	-	-	(165,508)
The amounts paid (paid for reinsurance contracts held)	160,722	-	-	-	-	-	160,722
Subtotal of cash flows in the period	(4,786)	-	-	-	-	-	(4,786)
Closing balance of reinsurance contract assets held	580,133	229,853	38,764	858	177,667	217,289	1,027,275
Closing balance of reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance as of June 30, 2025	$ 580,133	$ 229,853	$ 38,764	$ 858	$ 177,667	$ 217,289	$ 1,027,275

Unit: NTD thousands (unless otherwise stated)

(5) The effects of insurance contracts issued by the Company initially recognised during the period are as follows (the Premium Allocation Approach is not applicable):

	January 1 to June 30, 2026		
	Insurance contracts issued		
	Non-onerous	Onerous	Total
The estimates of the present value of future cash outflows			
Insurance acquisition cash flows	$ 271,333	$ 124	$ 271,457
Claims and other directly attributable expenses	1,636,820	2,947	1,639,767
Subtotal	1,908,153	3,071	1,911,224
The estimates of the present value of future cash inflows	(2,908,567)	(3,861)	(2,912,428)
The risk adjustment for non-financial risk	356,918	836	357,754
Contractual service margin	643,496	5,118	648,614
The effects of contracts initially recognised in the period	$ -	$ 5,164	$ 5,164

	January 1 to June 30, 2025		
	Insurance contracts issued		
	Non-onerous contracts	Onerous contracts	Total
The estimates of the present value of future cash outflows			
Insurance acquisition cash flows	$ 283,242	$ 37	$ 283,279
Claims and other directly attributable expenses	2,017,729	475	2,018,204
Subtotal	2,300,971	512	2,301,483
The estimates of the present value of future cash inflows	(3,261,311)	(661)	(3,261,972)
The risk adjustment for non-financial risk	425,817	87	425,904
Contractual service margin	534,523	3	534,526
The effects of contracts initially recognised in the period	$ -	($ 59)	($ 59)

Unit: NTD thousands (unless otherwise stated)

(6) The effects of reinsurance contracts held by the Company initially recognised during the period are as follows:

	January 1 to June 30, 2026	January 1 to June 30, 2025
	Reinsurance contracts held	Reinsurance contracts held
The estimates of the present value of future cash outflows	$ 396,970	$ 361,999
The estimates of the present value of future cash inflows	(253,703)	(222,081)
The risk adjustment for non-financial risk	(68,758)	(56,321)
Contractual service margin	(74,831)	(83,766)
The effects of contracts initially recognised in the period	($ 322)	($ 169)

(7) The expected timing of recognition of the contractual service margin in profit or loss for insurance contracts issued and reinsurance contracts held by the Company is as follows:

	June 30, 2026				
	Less than 1 year	1 - 3 years	3 - 5 years	More than five	Total
Insurance contracts issued	$ 631,144	$ 299,167	$ 124,614	$ 62,914	$ 1,117,839
Reinsurance contracts held	($ 121,852)	($ 53,261)	($ 17,205)	($ 624)	($ 192,942)

	December 31, 2025				
	Less than 1 year	1 - 3 years	3 - 5 years	More than five years	Total
Insurance contracts issued	$ 516,533	$ 220,089	$ 70,266	$ 21,454	$ 828,342
Reinsurance contracts held	($ 87,769)	($ 40,110)	($ 12,923)	($ 1,565)	($ 142,367)

	June 30, 2025				
	Less than 1 year	1 - 3 years	3 - 5 years	More than five years	Total
Insurance contracts issued	$ 530,431	$ 208,998	$ 70,379	$ 45,426	$ 855,234
Reinsurance contracts held	($ 133,868)	($ 57,110)	($ 22,502)	($ 3,809)	($ 217,289)

Unit: NTD thousands (unless otherwise stated)

(8) Schedule of insurance finance income or expenses for insurance contracts issued and reinsurance contracts held

The following table summarises the components of insurance finance income and expenses and their relationship to the investment returns on the corresponding assets.

	April 1 to June 30, 2026	April 1 to June 30, 2025
Investment return		
Amounts recognised in profit or loss	$ 894,436	$ 208,478
Amounts recognised in other comprehensive income	1,036,089	(13,271)
Subtotal of investment return	$ 1,930,525	$ 195,207
Finance income or expenses of insurance contracts	(8,001)	(128,197)
Finance income or expenses of reinsurance contracts held	11,611	60,872
Subtotal of finance income or expenses of insurance contracts (reinsurance contracts)	$ 34,833	$ 182,616

	January 1 to June 30, 2026	January 1 to June 30, 2025
Investment return		
Amounts recognised in profit or loss	$ 1,132,530	$ 10,835
Amounts recognised in other comprehensive income	1,253,172	4,970
Subtotal of investment return	$ 2,385,702	$ 15,805
Finance income or expenses of insurance contracts	(44,415)	(194,880)
Finance income or expenses of reinsurance contracts held	30,930	93,857
Subtotal of finance income or expenses of insurance contracts (reinsurance contracts)	$ 92,790	$ 281,571

Unit: NTD thousands (unless otherwise stated)

(9) Information related to operating performance

A. Breakdown of insurance revenue

	April 1 to June 30, 2026									
	Amounts applying the general measurement model			Amounts applying the variable fee approach	Amounts applying the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance	Total		Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
The insurance revenue that applying the general measurement model and the variable fee approach										
The amounts relating to the changes in the liability for remaining coverage	$ 1,122,068	($ 7,794)	$ 1,114,274	$ -	$ -	$ -	$ -	$ 1,122,068	($ 7,794)	$ 1,114,274
Expected incurred claims and incurred insurance service expenses	705,469	2,731	708,200	-	-	-	-	705,469	2,731	708,200
The contractual service margin recognised in profit or loss	246,209	(11,375)	234,834	-	-	-	-	246,209	(11,375)	234,834
Changes in the risk adjustment for non-financial risk because of the release from risk	170,390	850	171,240	-	-	-	-	170,390	850	171,240
The allocation that relate to the recovery of insurance acquisition cash flows	114,946	210	115,156	-	-	-	-	114,946	210	115,156
Subtotal of the insurance revenue that applying the general measurement model and the variable fee approach	1,237,014	(7,584)	1,229,430	-	-	-	-	1,237,014	(7,584)	1,229,430
The insurance revenue that applying the premium allocation approach	-	-	-	-	5,544,088	160,443	5,704,531	5,544,088	160,443	5,704,531
Total	$ 1,237,014	($ 7,584)	$ 1,229,430	$ -	$ 5,544,088	$ 160,443	$ 5,704,531	$ 6,781,102	$ 152,859	$ 6,933,961

	April 1 to June 30, 2025									
	Amounts applying the general measurement model			Amounts applying the variable fee approach	Amounts applying the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance	Total		Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
The insurance revenue that applying the general measurement model and the variable fee approach										
The amounts relating to the changes in the liability for remaining coverage	$ 994,319	($ 8,457)	$ 985,862	$ -	$ -	$ -	$ -	$ 994,319	($ 8,457)	$ 985,862
Expected incurred claims and incurred insurance service expenses	637,494	3,713	641,207	-	-	-	-	637,494	3,713	641,207
The contractual service margin recognised in profit or loss	227,751	(12,667)	215,084	-	-	-	-	227,751	(12,667)	215,084
Changes in the risk adjustment for non-financial risk because of the release from risk	129,074	497	129,571	-	-	-	-	129,074	497	129,571
The allocation that relate to the recovery of insurance acquisition cash flows	110,370	177	110,547	-	-	-	-	110,370	177	110,547
Subtotal of the insurance revenue that applying the general measurement model and the variable fee approach	1,104,689	(8,280)	1,096,409	-	-	-	-	1,104,689	(8,280)	1,096,409
The insurance revenue that applying the premium allocation approach	-	-	-	-	5,135,912	162,956	5,298,868	5,135,912	162,956	5,298,868
Total	$ 1,104,689	($ 8,280)	$ 1,096,409	$ -	$ 5,135,912	$ 162,956	$ 5,298,868	$ 6,240,601	$ 154,676	$ 6,395,277

Unit: NTD thousands (unless otherwise stated)

	January 1 to June 30, 2026									
	Amounts applying the general measurement model			Amounts applying the variable fee approach	Amounts applying the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance	Total		Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
The insurance revenue that applying the general measurement model and the variable fee approach										
The amounts relating to the changes in the liability for remaining coverage	$ 2,235,896	$ 17,943	$ 2,253,839	$ -	$ -	$ -	$ -	$ 2,235,896	$ 17,943	$ 2,253,839
Expected incurred claims and incurred insurance service expenses	1,377,988	6,866	1,384,854	-	-	-	-	1,377,988	6,866	1,384,854
The contractual service margin recognised in profit or loss	521,212	9,011	530,223	-	-	-	-	521,212	9,011	530,223
Changes in the risk adjustment for non-financial risk because of the release from risk	336,696	2,066	338,762	-	-	-	-	336,696	2,066	338,762
The allocation that relate to the recovery of insurance acquisition cash flows	225,620	412	226,032	-	-	-	-	225,620	412	226,032
Subtotal of the insurance revenue that applying the general measurement model and the variable fee approach	2,461,516	18,355	2,479,871	-	-	-	-	2,461,516	18,355	2,479,871
The insurance revenue that applying the premium allocation approach	-	-	-	-	10,838,887	293,809	11,132,696	10,838,887	293,809	11,132,696
Total	$ 2,461,516	$ 18,355	$ 2,479,871	$ -	$ 10,838,887	$ 293,809	$ 11,132,696	$ 13,300,403	$ 312,164	$ 13,612,567

	January 1 to June 30, 2025									
	Amounts applying the general measurement model			Amounts applying the variable fee approach	Amounts applying the premium allocation approach			Total insurance revenue		
	Direct underwriting	Reinsurance	Total		Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
The insurance revenue that applying the general measurement model and the variable fee approach										
The amounts relating to the changes in the liability for remaining coverage	$ 1,916,650	$ 17,666	$ 1,934,316	$ -	$ -	$ -	$ -	$ 1,916,650	$ 17,666	$ 1,934,316
Expected incurred claims and incurred insurance service expenses	1,227,405	6,707	1,234,112	-	-	-	-	1,227,405	6,707	1,234,112
The contractual service margin recognised in profit or loss	439,979	9,841	449,820	-	-	-	-	439,979	9,841	449,820
Changes in the risk adjustment for non-financial risk because of the release from risk	249,266	1,118	250,384	-	-	-	-	249,266	1,118	250,384
The allocation that relate to the recovery of insurance acquisition cash flows	219,154	335	219,489	-	-	-	-	219,154	335	219,489
Subtotal of the insurance revenue that applying the general measurement model and the variable fee approach	2,135,804	18,001	2,153,805	-	-	-	-	2,135,804	18,001	2,153,805
The insurance revenue that applying the premium allocation approach	-	-	-	-	10,412,287	299,086	10,711,373	10,412,287	299,086	10,711,373
Total	$ 2,135,804	$ 18,001	$ 2,153,805	$ -	$ 10,412,287	$ 299,086	$ 10,711,373	$ 12,548,091	$ 317,087	$ 12,865,178

Unit: NTD thousands (unless otherwise stated)

B. Breakdown of insurance service expenses

	April 1 to June 30, 2026									
	Amounts applying the general measurement model			Amounts applying the variable fee approach	Amounts applying the premium allocation approach			Total insurance service expenses		
	Direct underwriting	Reinsurance	Total		Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
Incurred claims	$ 846,688	$ 6,785	$ 853,473	$ -	$ 4,916,826	$ 188,603	$ 5,105,429	$ 5,763,514	$ 195,388	$ 5,958,902
Incurred insurance service expenses	74,418	-	74,418		446,250	-	446,250	520,668	-	520,668
Changes that relate to past service — changes in fulfilment cash flows relating to the liability for incurred claims	(647,248)	(7,068)	(654,316)	-	(1,892,638)	(71,489)	(1,964,127)	(2,539,886)	(78,557)	(2,618,443)
Changes that relate to future service — losses and reversals of losses on onerous contracts	(575)	(32)	(607)	-	21,312	(2,541)	18,771	20,737	(2,573)	18,164
Insurance acquisition cash flows	-	-			-	-				
Amortisation	114,946	210	115,156	-	1,058,242	-	1,058,242	1,173,188	210	1,173,398
Acquisition expenses	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total	$ 388,229	($ 105)	$ 388,124	$ -	$ 4,549,992	$ 114,573	$ 4,664,565	$ 4,938,221	$ 114,468	$ 5,052,689

	April 1 to June 30, 2025									
	Amounts applying the general measurement model			Amounts applying the variable fee approach	Amounts applying the premium allocation approach			Total insurance service expenses		
	Direct underwriting	Reinsurance	Total		Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
Incurred claims	$ 377,774	$ 548	$ 378,322	$ -	$ 2,093,637	$ 158,670	$ 2,252,307	$ 2,471,411	$ 159,218	$ 2,630,629
Incurred insurance service expenses	69,440	-	69,440		394,142	-	394,142	463,582	-	463,582
Changes that relate to past service — changes in fulfilment cash flows relating to the liability for incurred claims	(70,306)	861	(69,445)	-	314,228	(25,879)	288,349	243,922	(25,018)	218,904
Changes that relate to future service — losses and reversals of losses on onerous contracts	(2,607)	22	(2,585)	-	(4,930)	(34,037)	(38,967)	(7,537)	(34,015)	(41,552)
Insurance acquisition cash flows	-	-			-	-				
Amortisation	110,370	177	110,547	-	1,047,492	-	1,047,492	1,157,862	177	1,158,039
Acquisition expenses	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total	$ 484,671	$ 1,608	$ 486,279	$ -	$ 3,844,569	$ 98,754	$ 3,943,323	$ 4,329,240	$ 100,362	$ 4,429,602

Unit: NTD thousands (unless otherwise stated)

	January 1 to June 30, 2026									
	Amounts applying the general measurement model			Amounts applying the	Amounts applying the premium allocation approach			Total insurance service expenses		
	Direct underwriting	Reinsurance	Total	variable fee approach	Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
Incurred claims	$ 1,597,549	$ 10,207	$ 1,607,756	$ -	$ 6,393,120	$ 387,065	$ 6,780,185	$ 7,990,669	$ 397,272	$ 8,387,941
Incurred insurance service expenses	135,261	-	135,261		873,202	-	873,202	1,008,463	-	1,008,463
Changes that relate to past service — changes in fulfilment cash flows relating to the liability for incurred claims	(982,624)	(4,690)	(987,314)	-	(1,695,200)	(138,624)	(1,833,824)	(2,677,824)	(143,314)	(2,821,138)
Changes that relate to future service — losses and reversals of losses on onerous contracts	(2,902)	176	(2,726)	-	66,141	(9,795)	56,346	63,239	(9,619)	53,620
Insurance acquisition cash flows										
Amortisation	225,620	412	226,032	-	2,108,026	-	2,108,026	2,333,646	412	2,334,058
Acquisition expenses	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total	$ 972,904	$ 6,105	$ 979,009	$ -	$ 7,745,289	$ 238,646	$ 7,983,935	$ 8,718,193	$ 244,751	$ 8,962,944

	January 1 to June 30, 2025									
	Amounts applying the general measurement model			Amounts applying the	Amounts applying the premium allocation approach			Total insurance service expenses		
	Direct underwriting	Reinsurance	Total	variable fee approach	Direct underwriting	Reinsurance	Total	Direct underwriting	Reinsurance	Total
Incurred claims	$ 713,950	$ 5,674	$ 719,624	$ -	$ 7,476,295	$ 348,187	$ 7,824,482	$ 8,190,245	$ 353,861	$ 8,544,106
Incurred insurance service expenses	147,379	-	147,379		768,316	-	768,316	915,695	-	915,695
Changes that relate to past service — changes in fulfilment cash flows relating to the liability for incurred claims	32,805	(958)	31,847	-	214,042	(97,439)	116,603	246,847	(98,397)	148,450
Changes that relate to future service — losses and reversals of losses on onerous contracts	(3,222)	(6)	(3,228)	-	8,777	(7,771)	1,006	5,555	(7,777)	(2,222)
Insurance acquisition cash flows										
Amortisation	219,154	335	219,489	-	2,082,200	-	2,082,200	2,301,354	335	2,301,689
Acquisition expenses	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-
Total	$ 1,110,066	$ 5,045	$ 1,115,111	$ -	$ 10,549,630	$ 242,977	$ 10,792,607	$ 11,659,696	$ 248,022	$ 11,907,718

Unit: NTD thousands (unless otherwise stated)

C. Breakdown of income or expenses from reinsurance contracts held

	April 1 to June 30, 2026	
	Amounts applying the general measurement model	Amounts applying the premium allocation approach
Allocation of the premiums paid		
Contracts that not applying the premium allocation approach		
Relating to changes in remaining coverage		
Expected claims recovered from reinsurers and other reinsurance-related expenses	($ 66,069)	$ -
The change in the risk adjustment for non-financial risk	(18,225)	-
Contractual service margin recognized in profit or loss due to the acquisition of services	(19,851)	-
Experience adjustments - paid for reinsurance premium	(7)	-
Contracts that applying the premium allocation approach	-	(1,716,960)
Subtotal	($ 104,152)	($ 1,716,960)
The amounts recovered from the reinsurer		
Incurred claims recovered from reinsurers	($ 12,447)	$ 1,590,122
Other incurred reinsurance-related expenses	-	-
Changes that relate to past service — the adjustment for the asset for incurred claims	(144,278)	(591,918)
Loss-recovery and related reversals on onerous underlying contracts	(50)	6,988
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts	144	(198)
Subtotal	($ 156,631)	$ 1,004,994
Net income (or expenses) from reinsurance contracts held	($ 260,783)	($ 711,966)

	January 1 to June 30, 2026	
	Amounts applying the general measurement model	Amounts applying the premium allocation approach
Allocation of the premiums paid		
Contracts that not applying the premium allocation approach		
Relating to changes in remaining coverage		
Expected claims recovered from reinsurers and other reinsurance-related expenses	($ 138,837)	$ -
The change in the risk adjustment for non-financial risk	(38,178)	-
Contractual service margin recognized in profit or loss due to the acquisition of services	(68,527)	-
Experience adjustments - paid for reinsurance premium	151	-
Contracts that applying the premium allocation approach	-	(3,206,894)
Subtotal	($ 245,391)	($ 3,206,894)
The amounts recovered from the reinsurer		
Incurred claims recovered from reinsurers	$ 434,025	$ 2,727,890
Other incurred reinsurance-related expenses	-	-
Changes that relate to past service — the adjustment for the asset for incurred claims	(327,036)	(1,801,221)
Loss-recovery and related reversals on onerous underlying contracts	(580)	43,490
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts	113	109
Subtotal	$ 106,522	$ 970,268
Net income (or expenses) from reinsurance contracts held	($ 138,869)	($ 2,236,626)

Unit: NTD thousands (unless otherwise stated)

	April 1 to June 30, 2025	
	Amounts applying the general measurement model	Amounts applying the premium allocation approach
Allocation of the premiums paid		
Contracts that not applying the premium allocation approach		
Relating to changes in remaining coverage		
Expected claims recovered from reinsurers and other reinsurance-related expenses	($ 88,454)	$ -
The change in the risk adjustment for non-financial risk	(24,779)	-
Contractual service margin recognized in profit or loss due to the acquisition of services	(27,520)	-
Experience adjustments - paid for reinsurance premium	82	-
Contracts that applying the premium allocation approach	-	(1,269,373)
Subtotal	($ 140,671)	($ 1,269,373)
The amounts recovered from the reinsurer		
Incurred claims recovered from reinsurers	$ 103,229	$ 51,080
Other incurred reinsurance-related expenses	-	-
Changes that relate to past service — the adjustment for the asset for incurred claims	(20,200)	857,028
Loss-recovery and related reversals on onerous underlying contracts	(302)	(2,432)
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts	18	45
Subtotal	$ 82,745	$ 905,721
Net income (or expenses) from reinsurance contracts held	($ 57,926)	($ 363,652)

	January 1 to June 30, 2025	
	Amounts applying the general measurement model	Amounts applying the premium allocation approach
Allocation of the premiums paid		
Contracts that not applying the premium allocation approach		
Relating to changes in remaining coverage		
Expected claims recovered from reinsurers and other reinsurance-related expenses	($ 191,498)	$ -
The change in the risk adjustment for non-financial risk	(57,503)	-
Contractual service margin recognized in profit or loss due to the acquisition of services	(55,874)	-
Experience adjustments - paid for reinsurance premium	185	-
Contracts that applying the premium allocation approach	-	(2,546,218)
Subtotal	($ 304,690)	($ 2,546,218)
The amounts recovered from the reinsurer		
Incurred claims recovered from reinsurers	$ 213,696	$ 4,037,973
Other incurred reinsurance-related expenses	-	-
Changes that relate to past service — the adjustment for the asset for incurred claims	44,303	(259,449)
Loss-recovery and related reversals on onerous underlying contracts	(568)	5,978
The effect of changes in the risk of non-performance by the issuer of reinsurance contracts	78	(27)
Subtotal	$ 257,509	$ 3,784,475
Net income (or expenses) from reinsurance contracts held	($ 47,181)	$ 1,238,257

Unit: NTD thousands (unless otherwise stated)

13. Retirement Benefits Plan

Defined contribution pension plan

The Company's "Labor Pension Regulations" set forth in accordance with the "Labor Pension Act" is a defined contribution pension plan. According to the Act, the Company's monthly labor pension contribution rate shall not be less than 6% of the employee's monthly salary. Based on the "Labor Pension Regulations," 6% of the employee's salary is contributed to the individual retirement account established in the Bureau of Labor Insurance on a monthly basis.

The amounts of expenses on the defined contribution pension plan recognized from April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025 were $53,241, $12,831, $65,984 and $25,574 respectively.

Defined Benefit Plan

The Company's "Labor Pension Regulations" set for in accordance with the "Labor Standards Act" is a define benefit plan, where the employee retirement pension is calculated based on the number of service years as the basis points and the monthly average salary at the time when the retirement is approved. Employees with 15 years (or less) of service are given 2 basis points for every full service year, and for every full service year after the 15 years are given 1 basis point, till 45 basis points topped. In accordance with the "Labor Standards Act," the Company allocates a certain percentage of the total salary on a monthly basis, and deposits it in a dedicated account in the Bank of Taiwan in the name of the Supervisory Committee of Business Entities' Labor Retirement Reserve. In addition, before the end of each year, the Company estimates the balance of the dedicated account based on the above calculation, and if the balance is not enough to pay the pension amount for the estimated number of workers illegible for retirement in the next year, the difference will be allocated by the end of March of the next year.

The Company recognised defined benefit plan (benefit) expense amounts of ($585), $366, ($219) and $732 for the periods from April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025, respectively.

14. Common Stock

As of June 30, 2026, December 31 and June 30,2025, the Company's authorized capital was $5,000,000, and the paid-up capital was $3,159,633, the par value per share was $10 and divided into 315,963,300 shares

15. Capital Reserve

Item	June 30, 2026	December 31, 2025	June 30, 2025
Share premium	$50,355	$50,355	$50,355
Treasury stock trade	14,213	14,213	14,213
Execution of right of consolidation	39	39	39
Others	232	232	232
Total	$64,839	$64,839	$64,839

According to the statutory regulations, the capital reserve shall be used only to make up for corporate losses, and in the case of no business losses, the capital reserve from the surplus of shares issued in excess of the par value as well as donations can be appropriated to the capital by a fixed ratio of the paid-in capital, while the capital surplus may also be distributed in cash in proportion to the shareholders' initial shares.

16. Retained earnings

(1) According to the Corporate Charter, if there is a surplus in the annual final accounts, it shall be distributed in the following order:

A. Withholding for taxes
B. Make-up for losses
C. Twenty percent of the surplus deposited as the statutory surplus reserve.
D. Provision or reversal of special surplus reserve in accordance with other statutory regulations or orders from the competent authority.
E. Any remaining balances shall be combined with the accumulated earinings at the beginning of the same period and the adjusted amount of the undistributed earnings for the year, and the Board shall prepare the proposal for the distribution of earnings and submit it to the sharheolders' meeting for resolution.

(2) In light of the sustainable development of the Company, healthy financial planning, improvements of capital use efficiency, and the protection of the interests of investors, the Company adopts the residual dividend policy as its dividend policy. The policy primarily considers the estimated capital planning of the Company in the future to measures the capital requirements of the year, and appropriate earnings according to requirements in the preceding paragraph; the distribution ratio of cash dividends shall be no less than 25% of the total dividends.

(3) The Board of Directors proposes a distribution plan for the distributable surplus, and submits it to the shareholders' meeting for resolution, and the relevant information of which is available from the Public Information Observatory.

(4) According to the Company Law, the statutory surplus reserve shall be allocated until its total amount has reached the total capital. The statutory surplus reserve can be used to make up for the business losses. If there is no business loss, the part of the statutory surplus reserve exceeding 25% of the paid-in capital can be used to issue new shares or distribute cash in proportion to the initial shares subscribed by shareholders. However, according to the Interpretation Decree No. 10202501991 of Jinguanbaocai Zi, cash distribution can be made according to Article 241 of the Company Law on conditions that the statutory surplus reserve must be allocated until its total amount has reached the total paid-in capital according to Article 145-1 of the Insurance Law and other requirements listed in the Decree are also met, before the application for cash distribution from the statutory surplus reserve according to Article 241 of the Company Law is sent to the competent authority for approval.

(5) According to the "Regulations on Insurance Companies Various Reserves," the annually added provisions to the special surplus reserves for major accidents and for risk changes are accounted at the end of the current year as the accounting entry point, and this part of the surplus are not

Unit: NTD thousands (unless otherwise stated)

distributed or used for other purposes. The accumulated provisions on June 30, 2026, December 31 and June 30, 2025 were $8,469,958, $8,469,958 and $7,652,641, respectively.

(6) According to the requirement under Letter Jin-guan-bao-cai-zi No. 11304908291 dated April 26, 2024 to optimize the financial structure of insurance companies, regarding the personal travel safety insurance – accidental death and disability payment policy sold during the year, they shall calculate the balances of 10% of its total premium income based on the insurance amount and number of days for insurance less 20% of the nominal tax rate at the end of each fiscal year in accordance with the "Table of Standards Rate for Accidental Death and Disability Payment under Personal Travel Safety Insurance"; such balances shall be appropriated to the special surplus reserve under the owner's interests. On June 30,2026, December 31 and June 30, 2025, the accumulated provision were $21,732, $21,732 and $12,642, respectively.

The Company's shareholders' meetings on May 22, 2026 and June 3, 2025, respectively, resolved the 2025 and 2024 proposals on distribution of retained earnings and dividends per share, which are listed as follows:

	Distribution of retained earnings		Dividend per share (NTD)	
	2025	2024	2025	2024
Legal reserve	$780,732	$666,661	$-	$-
Special reserve	826,407	409,460	-	-
Common stock cash dividends	2,297,053	2,259,138	7.27	7.15

Please refer to Note 6(18) for the details of the assessment basis and recognized amounts of the remunerations for employees and directors.

(7) In accordance with the "Amended Regulations Governing the Strengthening of Catastrophe Reserves of Property Insurance Enterprises", the favourable impact (before tax) arising from the first-time adoption of International Financial Reporting Standard 17, Insurance Contracts (IFRS 17), by property insurance enterprises shall be transferred in a specified amount to the special reserve under liabilities for commercial earthquake insurance and typhoon and flood insurance. On 1 January 2026, the Company transferred the entire favourable impact arising from IFRS 17 adoption of $2,229,126 to the special reserve. After the first-time adoption of IFRS 17 and the appropriation of the special reserve on 1 January 2026, the net amount transferred to retained earnings (after tax) was $1,782,893.
For information relating to the impact of the first-time adoption of IFRS 17 on shareholders' equity, please refer to Note 23.9.

Unit: NTD thousands (unless otherwise stated)

17. Other equity

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Opening balance	($93,248)	($81,572)
Current period		
Unrealized valuation gains and losses on equity instrument investments measured at fair value through other comprehensive income	1,256,788	(6,709)
Unrealized valuation gains and losses on investments in debt instruments measured at fair value through other comprehensive income	(2,892)	9,345
Other Comprehensive income in current period	$1,253,896	$2,636
(Losses) gains on disposal of equity instruments at fair value through other comprehensive profit or loss transferred to retained earnings	26,237	-
Effect of retrospective application and retrospective adjustments	599,370	-
Closing balance	$1,786,345	($78,936)

For information on the effects of the initial application of IFRS 17 and the redesignation of financial assets, please refer to Note 23.9.

18. Summary of Employee Benefits, Depreciation and Amortization Expenses by Functions

Employee benefits, depreciation and amortization expenses incurred during the current period are summarized by function as follows:

By functions / By attributes	April 1 to June 30, 2026			
	Insurance acquisition cash flows	Expenses that can be directly attributed	other operating costs and other operating expenses	Total
Employee benefits				
Salaries and wages	$155,501	$390,397	$14,529	$560,427
Labor insurance and national health insurance	-	35,043	-	35,043
Pension expenses	-	52,649	-	52,649
Remuneration to directors	-	-	40,570	40,570
Other employee benefits expense	-	22,198	829	23,027
Depreciation expenses	-	40,751	-	40,751
Amortization expenses	-	5,514	-	5,514

Unit: NTD thousands (unless otherwise stated)

By functions / By attributes	April 1 to June 30, 2025			
	Insurance acquisition cash flows	Expenses that can be directly attributed	other operating costs and other operating expenses	Total
Employee benefits				
Salaries and wages	$155,222	$413,740	$13,131	$582,093
Labor insurance and national health insurance	-	35,329	-	35,329
Pension expenses	-	13,197	-	13,197
Remuneration to directors	-	-	24,392	24,392
Other employee benefits expense	-	18,012	568	18,580
Depreciation expenses	-	24,062	-	24,062
Amortization expenses	-	5,949	-	5,949

By functions / By attributes	January 1 to June 30, 2026			
	Insurance acquisition cash flows	Expenses that can be directly attributed	other operating costs and other operating expenses	Total
Employee benefits				
Salaries and wages	$313,884	$787,583	$30,305	$1,131,772
Labor insurance and national health insurance	-	69,495	-	69,495
Pension expenses	-	65,764	-	65,764
Remuneration to directors	-	-	82,352	82,352
Other employee benefits expense	-	46,092	1,778	47,870
Depreciation expenses	-	68,966	-	68,966
Amortization expenses	-	11,276	-	11,276

By functions / By attributes	January 1 to June 30, 2025			
	Insurance acquisition cash flows	Expenses that can be directly attributed	other operating costs and other operating expenses	Total
Employee benefits				
Salaries and wages	$317,839	$768,805	$25,948	$1,112,592
Labor insurance and national health insurance	-	65,284	-	65,284
Pension expenses	-	26,306	-	26,306
Remuneration to directors	-	-	61,155	61,155
Other employee benefits expense	-	40,643	1,385	42,028
Depreciation expenses	-	43,652	-	43,652
Amortization expenses	-	12,878	-	12,878

The number of employees of the Company in June 30,2026, December 31,2025 and June 30, 2025 were 1540, 1558 and 1560, respectively, and among them 10 were directors who did not serve as working employees.

In accordance with The Articles of Incorporation, no less than 1% of the business profits, if any, shall be appropriated for the employees' remunerations, and no more than 2% for the directors' remunerations. The profits, however, shall be used to make up for the accumulated business losses, if any. The above employee remunerations are paid in stock or cash, depending on the resolution by the Board of Directors, with more than two-thirds of the directors present and approved by more than half of the attending directors, and the resolution is reported in the shareholders' meeting. For more information about the employee and director remunerations approved by the Board of Directors, please visit the "Public Information Observatory" website of the Taiwan Stock Exchange.

Unit: NTD thousands (unless otherwise stated)

The company has appropriated 4.10% and 1.60% of the earnings generated in the period from April 1 to June 30, and January 1 to June 30, 2026 as remuneration to employees and directors for an amount of $ 51,225, $19,991, $102,451 and $39,981, respectively. The company has appropriated 4.80% and 1.60% of the earnings generated in the period from April 1 to June 30, and January 1 to June 30, 2025 as remuneration to employees and directors for an amount of $51,392, $17,131, $102,785 and $34,262, respectively, which is booked in the "salary expense" account. If there is a discrepancy between the estimated amount and the distribution amount resolved by the board of directors, it will be recognized as profit and loss in the following year.

The company's board of directors resolved on March 13, 2026 to pay $204,902 and $79,962 in cash as remuneration to employees and directors of 2025, respectively. There is no difference between the amount paid and the amount stated in the expense account of the 2025 financial report.

19. Income tax

Components of income tax:

Income tax recognized as Gains and Losses

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Current income tax expenses (benefits):		
Income tax arising from current period income	$104,912	$268,466
Current year adjustment of previous years' current income taxes	(12,605)	405
Deferred income tax expenses (benefits):		
Deferred income tax expenses related to initially generated and reversed temporary differences	72,764	(69,489)
Income tax expense	$165,071	$199,382

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Current income tax expenses (benefits):		
Income tax arising from current period income	$445,673	$430,537
Current year adjustment of previous years' current income taxes	(12,886)	(10)
Deferred income tax expenses (benefits):		
Deferred income tax expenses related to initially generated and reversed temporary differences	(19,283)	(77,067)
Income tax expense	$413,504	$353,460

Income tax recognized in Other Comprehensive Income

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Deferred income tax expenses (benefits):		
Unrealized valuation gains (losses) on debt instruments measured at fair value through other comprehensive income	$1,326	$1,664
Income tax related to the components of other comprehensive profit or loss	$1,326	$ 1,664

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Deferred income tax expenses (benefits):		
Unrealized valuation gains (losses) on debt instruments measured at fair value through other comprehensive income	($724)	$2,334
Income tax related to the components of other comprehensive profit or loss	($724)	$2,334

Approval of income tax declaration

As of December 31, 2026, the Company’s declaration of profit-making business income tax returns has been approved by the Revenue Service Office up to the fiscal year 2024.

20. Earnings Per Share

The basic earnings per shares is calculated through dividing net profits after tax for the period by the weighter average number of outstanding ordinary shares.

As the Company has not issued any potential ordinary shares with diluted effects, the Company is not required to make dilution adjustment to the amount of basic earnings per share.

Earnings per share in the period from January 1 to June 30, 2026 and 2025 are as follows:

Item	From April 1 to June 30, 2026	From April 1 to June 30, 2025
continuing operations	$1,427,701	$1,161,859
Weighted average number of common shares (in thousands) of basic earnings per share	315,963	315,963
Basic earnings per share (NTD)	$4.52	$3.68

Item	From January 1 to June 30, 2026	From January 1 to June 30, 2025
continuing operations	$2,687,472	$1,469,171
Weighted average number of common shares (in thousands) of basic earnings per share	315,963	315,963
Basic earnings per share (NTD)	$8.51	$4.65

After the reporting period and before the financial statements were approved for release, there were no other transactions that materially changed the number of common shares outstanding or the number of potential common shares at the end of the period.

Unit: NTD thousands (unless otherwise stated)

21. Expected Credit Losses (Profits)

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Total operating revenues- Expected credit impairment loss and reversal gain on investment		
Financial assets at fair value through other comprehensive profit or loss	$2	$7
Financial assets at amortized cost	352	491
Other financial assets	-	(66)
subtotal	$354	$432
Operating expenses: -Expected credit impairment reversal from non-investments		
Other receivables	1,357	3,099
Total	$1,711	$3,531

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Total operating revenues- Expected credit impairment loss and reversal gain on investment		
Financial assets at fair value through other comprehensive profit or loss	$5	$10
Financial assets at amortized cost	498	563
Other financial assets	(51)	(75)
subtotal	$452	$498
Operating expenses: -Expected credit impairment reversal from non-investments		
Other receivables	1,616	191
Total	$2,068	$689

For information about the credit risks, please see Note 7.

22. Lease

(1) The company as a lessee

The Company leases a number of different assets, including property (houses and buildings) and other equipment. The lease periods of various contracts are from 1 year to 6 years.

The impact of the leasing business on the Company's financial status, financial performance and cash flow is described as follows:

A. Amounts recognized in the balance sheet

a. Right-of-use assets

Book values of right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Buildings and structures	$267,706	$11,344	$12,469
Other equipment	24,156	13,850	16,822
Total	$291,862	$25,194	$29,291

Unit: NTD thousands (unless otherwise stated)

During January 1 to June 30, 2026 and 2025, the right-of-use assets increased $295,462 and $3,717, respectively.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilitie	$316,389	$25,763	$29,850

During April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025, the interest expenses of the lease liabilities recognized were $2,028, $171, $2,761, and $358 respectively.

As of June 30, 2026, December 31, 2025 and June 30, 2025, the maturities of lease liabilities are analyzed as follows:

	June 30, 2026			
Maturity period	less than 1 year	1–5 years	over 5 years	Total
Lease liabilitie	$88,044	$243,666	$-	$331,710

	December 31, 2025			
Maturity period	less than 1 year	1–5 years	over 5 years	Total
Lease liabilitie	$10,597	$15,943	$-	$26,540

	June 30, 2025			
Maturity period	less than 1 year	1–5 years	over 5 years	Total
Lease liabilitie	$11,293	$19,575	$-	$30,868

The above table shows the cash outflow analysis of the Company's lease liabilities based on the remaining period from the balance sheet date to the contract maturity date. The amounts disclosed in the table are based on contractual cash flows, so the amounts disclosed will not correspond to relevant items on the balance sheet.

B. Amounts recognized in the consolidated income statement

Depreciation of right-of-use assets

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Buildings and structures	$17,466	$1,982
Other equipment	3,146	1,485
Total	$20,612	$3,467

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Buildings and structures	$24,162	$3,964
Other equipment	4,632	3,024
Total	$28,794	$6,988

Unit: NTD thousands (unless otherwise stated)

C. The lessee's income and expenses related to leasing activities

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Short-term leasing expenses	$2,161	$1,357

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Short-term leasing expenses	$4,843	$3,593

D. The lessee's cash outflows related to leasing activities

The total cash outflows during January 1 to June 30, 2026 and 2025, were $12,440 and $10,900, respectively.

E. When determining the lease term, the Company takes into account all facts and circumstances that would create an economic incentive to exercise the extension option or not to exercise the termination option. The lease term will be re-estimated if any material event occurs that affects the assessment of exercising the extension option or not to exercise the termination option.

(2) The Company as a lessor

The Company owned investment properties are disclosed in Note 6.8. The Company owned investment properties are classified as operating leases because almost all the risks and rewards attached to the ownership of the underlying assets have not been transferred.

For details regarding rental income recognized from operating lease contracts from April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025, please refer to Note 6(8).

The lease contracts with undiscounted lease payments received and total amounts for remaining years ranged on June 30, 2026, December 31, 2025 and June 30, 2025 were:

	June 30, 2026	December 31, 2025	June 30, 2025
current year	$29,004	$62,294	$61,703
next 1 year	47,718	47,514	46,358
next 2 years	35,268	35,356	37,119
next 3 years	20,218	19,924	25,285
next 4 years	395	390	8,346
more than next 5 years	171	171	-
Total	$132,774	$165,649	$178,811

23. Other liabilities–Special reserve

A. Compulsory automobile liability insurance

Item	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Opening amount	$695,008	$573,182
Current deposits	162,527	171,917
Current recovery	-	-
Closing amount	$857,535	$745,099

Unit: NTD thousands (unless otherwise stated)

According to Article 2 of the “Compulsory Automobile Liability Insurance Act” and paragraph 1, Article 24-2 of the “Regulations for the Provision Appropriation for the Insurance Companies” established under the authorization of paragraph 2, Article 145 and paragraph 2, Article 148-3 of the “Insurance Act,” from April 1, 2022, property insurance companies shall appropriate NT$30 from each insurance contract as the special provision based on the business expense of the insured under the compulsory automobile liability insurance business it operates. According to the Letter Jin-guan-bao-chan-zi No. 11304922071 dated July 3, 2025, starting from October 1, 2025, the business expense from each insurance contract shall adjust to NT$15 as the special reserve. Thereafter, when there are net losses on the pure insurance premium for the year while property insurance companies operating this business, they shall use the provision hereof to make compensation first; for the insufficient part, they shall comply with Article 8 of the “Regulations for the Provision Appropriation for Compulsory Automobile Liability Insurance.”

The Company is required to deposit special reserves for its retained business of compulsory automobile liability insurance. Starting from January 1, 2025, in accordance with the " Regulations for the Provision Appropriation for Compulsory Automobile Liability Insurance", the special reserves of $5,677 were recalculated and reclassified under the special reserves listed in other liabilities, and retrospectively adjusted to the effect applicable to IFRS 17. Please refer to note 23.9.

B. Non-compulsory automobile liability insurance

	Liabilities			
	From January 1 to June 30, 2026			
Item	catastrophic event	fluctuation of risk	Property appreciation	Total
Opening amount	$397,507	$952,766	$225,849	$1,576,122
Effect of standard conversions	1,621,491	607,635	-	2,229,126
Current deposits	-	-	-	-
Current recovery	(11,691)	-	-	(11,691)
Closing amount	$2,007,307	$1,560,401	$225,849	$3,793,557

	Liabilities			
	From January 1 to June 30, 2025			
Item	Catastrophic event	Fluctuation of risk	Property appreciation	Total
Opening amount	$420,890	$952,765	$225,849	$1,599,504
Current deposits	-	-	-	-
Current recovery	(11,691)	-	-	(11,691)
Closing amount	$409,199	$952,765	$225,849	$1,587,813

When the company initially applied IFRSs, the property appreciation measured at fair value in the initial day application should be used to make up the adverse effects of other accounting items caused by the initial application, and the unrealized value added amont from the re-evaluation should be fully listed as a special reserve on the date of conversion.

According to the “Notice for Reinforcingthe Reserve of Natual Disaster of Property Insurance Business (initially: Notice for Reinforcing Reserve of Natural Disaster of Property Insurance Industry)” starting from January 1, 2013, property insurance companies should use the special reserves for catastrophic event and fluctuation of risk provided under liabilities before December 31, 2012 for insurances other than the compulsory automobile liability insurance, nuclear energy insurance, policy-based basic residential earthquake insurance, commercial earthquake insurance, and typhoon flood insurance, to make up with higher priority the special reserves for catastrophic event and fluctuation of risk of the commercial earthquake insurance and typhoon flood insurance to their full level, and list them under liabilities, and then deduct the taxes from the balance of the above special reserves in accordance with IAS 12 and list the remainder in the special reserve under owner’s equity.

In accordance with the provisions of the "Notice for Reinforcingthe Reserve of Natual Disaster of Property Insurance Business" stipulated in the Letter Jin-guan-bao-chan-zi No. 11504111391, the Company transferred the increase of retained earnings of $1,782,893 (after tax) generated from the first adoption of IFRS 17 on January 1, 2026 to special reserves under the liabilities of commercial earthquake insurance and typhoon and flood insurance. The amount of special reserves deposit on January 1, 2026 was $2,229,126 (before tax).

C. Matters to be disclosed according to the Notice for Reinforcingthe Reserve of Natual Disaster (commercial earthquake insurance and typhoon and flood insurance) of Property Insurance Business :
The impact of not being subject to the said precaution on the net income (loss) before tax, liabilities, equity, and earnings per share in the period from January 1 to June 30, 2026 and 2025 was a decrease of $11,691 thousand, a decrease of $3,336,787 thousand, an increase of $2,660,077 thousand, and a decrease of $0.03 per share, respectively; and also a decrease of $0 thousand, a decrease of $171,516 thousand, an increase of $137,213 thousand, and a decrease of $0.00 per share, respectively.

D. Matters to be disclosed in accordance with the “Guidelines for Strengthening Reserves of Residential Earthquake Coinsurance Organization Members” are:
The impact of not being subject to the said precaution on the liabilities and equity in the period from January 1 to June 30, 2026 and 2025 was a decrease of $171,516 thousand and an increase of $137,213 thousand, respectively; also, there was no impact on the earnings per share.

E. Matters to disclosed in accordance with the “Regulations on Property Insurance Companies Various Reserves for Energy Insurance” are:
The impact of not being subject to the said precaution on the liabilities and equity in the period from January 1 to June 30, 2026 and 2025 was a decrease of $59,405 thousand and an increase of $47,524 thousand, respectively; also, there was no impact on the earnings per share.

7. Risk management of insurance contracts and financial instruments

1. The objectives, policies, procedures and methods of risk management:

(1) The structure, organization, and accountability and empowerment

A. Board of Directors

a. The Board of Directors is the Company's highest decision-making body on risk management and undertakes the ultimate responsibility for the company's overall risk management.

b. The Board of Directors resolves the overall risk management policy and risk appetite in accordance with the corporate overall operating strategy and environment.

B. Risk Management Committee

To meet the legal requirements of internal control and audit, the Committee is established to set up a complete internal risk control management structure for effective formulation, implementation, and tracking of the overall risk management policies and related affairs, to prevent potential risks affecting the Company's operating stability, and create substantive values from it.

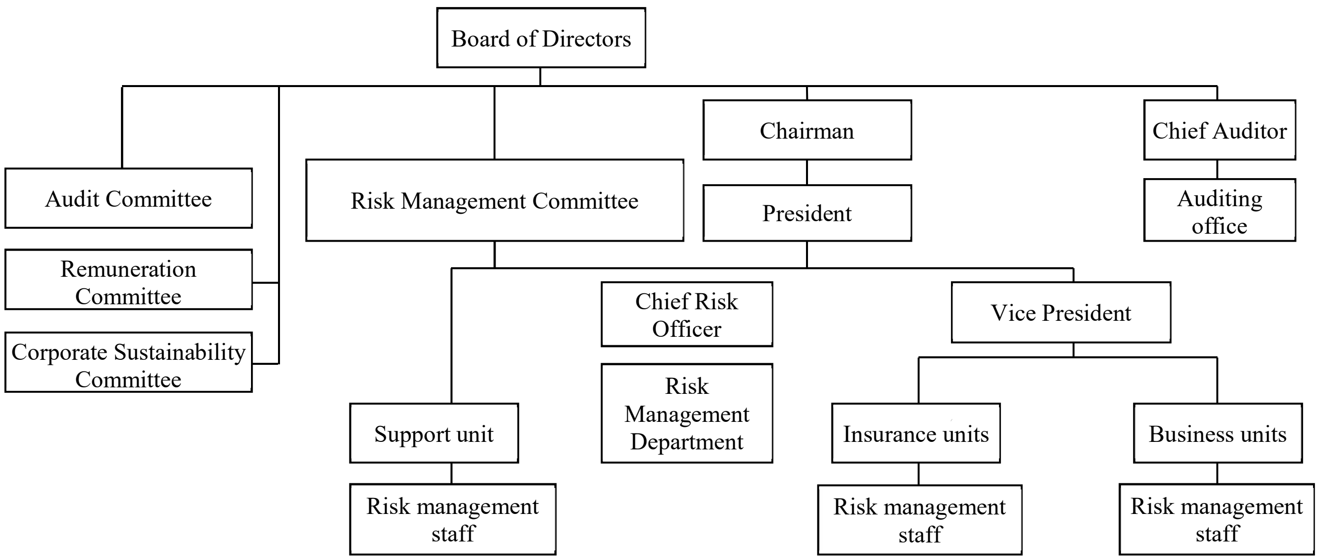
C. Risk Management Department

The department assists the Board of Directors in formulating and implementing risk management policies and driving the practices by consolidating the risk management in individual departments for an integrated operation.

D. Business Department

a. The department performs daily risk management affairs and provides feedback on risk information to the Risk Management Department.

b. The department has a risk management person working as a window to the Risk Management Department and handles risk management business under the instructions from the department head.



(2) The scope and features of the risk reporting and measurement system of the property insurance industry

A. Risk reporting

a. The business unit regularly sends risk information to the risk management unit for monitoring, and when the risk limit is exceeded, proposes an over-limit handling report along with corresponding measures.

b. The risk management unit summarizes the risk information received from the business unit, to review and track the use of major risk limits, and report to the Chairman every quarter for regular monitoring.

B. The scope and features of the market risk measurement system

The Company's market risk measurement is based on the Bloomberg Algor Model, expressed with the market risk value VaR, which covers the risk of changes in exchange rates and interest rates, where the information system is shared by the Investment Department and the Risk Management Department, while the measurement is performed by the Middle Platform of the Risk Management Department.

(3) Procedures for the property insurance industry to undertake, measure, supervise and control insurance risks, and underwriting policies to ensure appropriate risk classification and premium levels

The Company's Risk Management Department is responsible for monitoring and integrating the corporate insurance risks, and requires relevant departments to set up risk indicators and management mechanisms as the basis for the Risk Management Department to monitor, while all the relevant departments manage the underlying insurance risks, and regularly provide implementation status to the Risk Management Department in accordance with the statutory regulations, internal regulations, and their professional knowledge and experience, and the Risk Management Department submits quarterly risk management reports to the Board of Directors.

(4) Assessment of insurance risks and scope of insurance risk management

The Company's insurance risk management covers product design and pricing, underwriting, reinsurance, catastrophes, and risks related to claims and reserves, for which appropriate management mechanisms are established and implemented.

(5) Approaches used by the property insurance industry to limit exposure to insurance risks and avoid concentration risks:

When an insurance business is introduced, the Company's underwriters evaluate the business quality based on the underwriting standards of the insurance types to determine whether to undertake it, in order to appropriately avoid and control risks for lower level of exposure.

The Company operates ceded-in/out retention and reinsurance based on the " Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" for which a risk retention mechanism is established, and a reinsurance risk management plan is also established based on the risk undertaking capacity, while the limit of the risk retention is set according to individual risk units by insurance types. The risk retention limits of individual risk units by insurance types are disclosed as follows:

Unit: NTD thousands (unless otherwise stated)

Insurance types	June 30, 2026	December 31,2025	June 30, 2025
A.Fire insurance	$1,200,000	$1,200,000	$1,200,000
B.Marine insurance			
a. Cargo insurance	600,000	600,000	600,000
b. Hull insurance	600,000	600,000	600,000
c. Fishing vessel insurance	600,000	600,000	600,000
d. Property floater insurance	1,200,000	600,000	600,000
C. New insurance types			
a. Engineering insurance	1,500,000	1,500,000	1,500,000
b. Liability insurance	1,250,000	1,250,000	1,250,000
c. Accident insurance, Health insurance	1,200,000	1,200,000	1,200,000
D.Car insurance			
a. Damage insurance	100,000	100,000	100,000
b. Third-party liability insurance	400,000	400,000	400,000

2. Management of assets and liabilities

Based on the business features, the Company regularly measures various reserves to ensure that the current capital allocation and asset investment liquidity are sufficient to cover possible future claims. Cash flow management is carried out on a daily basis by a fund dispatch unit independent of the trading unit, and the dispatch and management of the funds takes into account the fund demands and schedules of individual departments.

Also, the Company has established the Operational Crisis Response Guidelines based on the “Key Attributes for Handling Financial Institutions’ Operational Crisis” set by the FSC, and in the event of a huge loss of funds or s severe liquidity shortage, a crisis taskforce will be established immediately to quickly assess the impact on the fund liquidity and the amount needed to fill the fund gap as well as the funding schedule and efficacy, to protect the interests of the policyholders and the Company.

3. The procedure for managing, monitoring and controlling commitments on liabilities or additional investment in owner’s equity to be undertaken by insurance companies when a specific event occurs

The Company has established a capital adequacy management mechanism, which includes a capital adequacy index to facilitate regular reviews and preparation of capital adequacy reports biannually. If the capital adequacy ratio exceeds the risk limit, or an abnormality occurs, the cause of the event will be explored and responses be set forth to evaluate the impact on the capital adequacy

4. Sensitivity of insurance risks

The Company primarily estimates incurred claims liabilities through loss development patterns and expected loss rates for various insurance products. However, due to uncertainties such as changes in the external environment (e.g., changes in laws or judicial rulings), trends, or changes in claims payment methods, the loss development pattern and expected loss rate may alter the estimated claims reserve. Therefore, the Company conducted sensitivity tests using the final loss rate for the period from January 1 to June 30, 2026 and 2025, as shown below:

Unit: NTD thousands (unless otherwise stated)

	January 1 to June 30, 2026			
	Expected impact on profit or loss with 5% increase of loss rate		Expected impact on profit or loss with 5% decrease of loss rate	
Insurance contract type	Increase in total liabilities for claims before holding reinsurance	Increase in total liabilities for claims after holding reinsurance	Increase in total liabilities for claims before holding reinsurance	Increase in total liabilities for claims after holding reinsuranc
Fire insurance	$117,045	$44,812	($117,045)	($44,812)
Marine insurance	22,645	8,076	(22,645)	(8,076)
Land and air insurance	214,132	210,693	(214,132)	(210,693)
Liability insurance	33,993	30,928	(33,993)	(30,928)
Engineering Guarantee Insurance	64,828	36,960	(64,828)	(36,960)
Other property insurance	12,334	11,094	(12,334)	(11,094)
Accident insurance	31,047	30,607	(31,047)	(30,607)
Health insurance	1,276	1,276	(1,276)	(1,276)
Automobile liability insurance	47,201	31,965	(47,201)	(31,965)

	January 1 to June 30, 2025			
	Expected impact on profit or loss with 5% increase of loss rate		Expected impact on profit or loss with 5% decrease of loss rate	
Insurance contract type	Increase in total liabilities for claims before holding reinsurance	Increase in total liabilities for claims after holding reinsurance	Increase in total liabilities for claims before holding reinsurance	Increase in total liabilities for claims after holding reinsuranc
Fire insurance	$104,824	$51,929	($104,824)	($51,929)
Marine insurance	21,780	7,769	(21,780)	(7,769)
Land and air insurance	211,385	207,847	(211,385)	(207,847)
Liability insurance	34,052	30,381	(34,052)	(30,381)
Engineering Guarantee Insurance	51,915	27,760	(51,915)	(27,760)
Other property insurance	10,747	9,747	(10,747)	(9,747)
Accident insurance	31,366	32,129	(31,366)	(32,129)
Health insurance	435	430	(435)	(430)
Automobile liability insurance	48,103	32,578	(48,103)	(32,578)

The sensitivity test is based on the insurance service results from January 1 to June 30, 2026 and 2025, to calculate the impact of a 5% increase or decrease in the final loss rate on the company's profit and loss.

According to the data from January to March 2026, although the assumed increase of expected loss rate by 5% have a certain degree of impact on the profit or loss, with the reinsurance arrangement, however, the impact from the change in expected loss rate can be reduced, thereby spreading the risks, and the sensitivity can be maintained within a reasonable range.

5. Explanation of concentrated insurance risks
   (1) Circumstances that may lead to concentrated insurance risks:
   The insurance contracts underwritten by the company are spread across different types of

Unit: NTD thousands (unless otherwise stated)

insurance without concentration on a single type of insurance, and the highest proportion is attributed to automobile insurance, which accounted for 47.92%, 50.32%, 47.34% and 50.93% of the total underwriting during April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025, respectively. Although the proportion is higher than that of other insurances, experiences show the relevant loss is stable and the risk variation is not significant; other insurance types do not have risk concentration either.

Also considered are insurances related to natural disasters (e.g. earthquakes and typhoon floods) that may lead to significant cumulative losses, as well as insurances that may result in cumulative losses including property related insurances (fire insurance, engineering insurance), marine insurance and accident insurance, and to avoid concentrated underwriting risks, catastrophe reinsurance contacts are purchased to spread the risks.

The insurance risk concentration situation shown by the Company's insurance revenue and insurance service results from January 1 to June 30, 2026 and 2025, and April 1 to June 30, 2026 and 2025 are listed below:

	From April 1 to June 30, 2026	
Item	Insurance revenue	Insurance service results
Fire insurance	$1,500,043	$356,031
Marine insurance	343,582	(13,327)
Motor insurance	3,282,838	(204,447)
Engineering insurance	821,100	343,333
Liability insurance	576,442	297,408
Accident & health insurance	409,956	129,525

	From April 1 to June 30, 2025	
Item	Insurance revenue	Insurance service results
Fire insurance	$1,191,256	$512,640
Marine insurance	297,178	28,755
Motor insurance	3,256,997	565,978
Engineering insurance	681,993	87,204
Liability insurance	565,938	230,871
Accident & health insurance	401,915	118,649

	From January 1 to June 30, 2026	
Item	Insurance revenue	Insurance service results
Fire insurance	$2,926,130	$757,067
Marine insurance	576,794	43,246
Motor insurance	6,522,678	443,222
Engineering insurance	1,611,232	402,351
Liability insurance	1,167,654	445,732
Accident & health insurance	808,079	182,510

	From January 1 to June 30, 2025	
Item	Insurance revenue	Insurance service results
Fire insurance	$2,620,610	$257,947
Marine insurance	557,372	39,871
Motor insurance	6,474,322	912,781
Engineering insurance	1,283,765	193,124
Liability insurance	1,134,100	440,722
Accident & health insurance	795,009	304,091

Unit: NTD thousands (unless otherwise stated)

6. Claims development trend

As of June 30, 2026, December 31, 2025, and June 30, 2025, the following table indicates the loss development pattern:

(1) Inward busines

June 30,2026	Accident year						
Development Year	Before 2021	2022	2023	2024	2025	January 1 to June 30,2026	Total
At the end of the year	$ 21,066,602	$ 12,809,804	$ 12,236,364	$ 14,313,758	$ 15,004,628	$ 5,564,581	
After the first year	20,152,859	13,129,273	11,220,398	14,430,629	15,120,558	-	
After the second year	19,804,221	12,955,747	11,162,625	14,384,810	-	-	
After the third year	19,286,258	12,870,887	11,136,202	-	-	-	
After the fourth year	19,115,253	12,846,441	-	-	-	-	
After the fifth year	19,146,109	-	-	-	-	-	
Accumulated estimated claim amount	19,146,109	12,846,441	11,136,202	14,384,810	15,120,558	5,564,581	
Accumulated claim payment	(18,540,435)	(12,464,189)	(10,335,850)	(12,089,456)	(9,210,301)	(1,610,339)	
Subtotal	$ 605,674	$ 382,252	$ 800,352	$ 2,295,354	$ 5,910,257	$ 3,954,242	$ 13,948,131
Effect of discount							(146,675)
Effect of the risk adjustment for non-financial risk							2,582,326
Other liability for incurred claims							13,223
Total amount of liability for incurred claims of inward business							$ 16,397,005

Unit: NTD thousands (unless otherwise stated)

December 31,2025	Accident year						
Development Year	Before 2020	2021	2022	2023	2024	2025	Total
At the end of the year	$ 20,472,993	$ 12,917,524	$ 14,043,267	$ 11,329,474	$ 15,389,995	$ 15,004,628	
After the first year	18,987,058	11,508,901	13,470,497	11,477,873	15,506,866		
After the second year	18,248,475	11,185,054	13,095,244	11,420,100			
After the third year	18,010,073	10,999,781	13,010,385				
After the fourth year	17,651,248	10,848,716					
After the fifth year	17,631,307						
Accumulated estimated claim amount	17,631,307	10,848,716	13,010,385	11,420,100	15,506,866	15,004,628	
Accumulated claim payment	(17,237,981)	(10,641,828)	(12,504,407)	(10,497,908)	(11,980,900)	(6,052,497)	
Subtotal	$ 393,326	$ 206,888	$ 505,978	$ 922,192	$ 3,525,966	$ 8,952,131	$ 14,506,481
Effect of discount							(200,128)
Effect of the risk adjustment for non-financial risk							2,565,338
Other liability for incurred claims							72,850
Total amount of liability for incurred claims of inward business							$ 16,944,541

June 30,2025	Accident year						
Development Year	Before 2020	2021	2022	2023	2024	2025	Total
At the end of the year	$ 20,472,993	$ 11,703,137	$ 12,809,804	$ 12,236,364	$ 14,313,758	$ 7,409,528	
After the first year	20,201,445	11,204,309	13,129,273	11,220,398	14,786,085		
After the second year	19,786,530	11,063,054	12,955,747	11,298,252			
After the third year	19,579,147	10,905,083	13,049,008				
After the fourth year	19,219,155	10,768,865					
After the fifth year	19,178,633						
Accumulated estimated claim amount	19,178,633	10,768,865	13,049,008	11,298,252	14,786,085	7,409,528	
Accumulated claim payment	(18,737,567)	(10,437,016)	(12,149,937)	(9,945,737)	(9,806,311)	(1,708,313)	
Subtotal	$ 441,066	$ 331,849	$ 899,071	$ 1,352,515	$ 4,979,774	$ 5,701,215	$ 13,705,490
Effect of discount							(203,295)
Effect of the risk adjustment for non-financial risk							2,666,484
Other liability for incurred claims							18,473
Total amount of liability for incurred claims of inward business							$ 16,187,152

Unit: NTD thousands (unless otherwise stated)

(2) Retention business

June 30,2026	Accident year						
Development Year	Before 2021	2022	2023	2024	2025	January 1 to June 30,2026	Total
At the end of the year	$ 14,337,487	$ 10,531,604	$ 10,479,481	$ 9,499,678	$ 9,827,643	$ 4,527,341	
After the first year	13,767,014	10,027,006	9,320,208	9,587,042	9,700,274	-	
After the second year	13,607,618	9,967,893	9,319,262	9,987,958	-	-	
After the third year	13,443,494	9,921,497	9,308,119	-	-	-	
After the fourth year	13,306,436	9,932,295	-	-	-	-	
After the fifth year	13,335,120	-	-	-	-	-	
Accumulated estimated claim amount	13,335,120	9,932,295	9,308,119	9,987,958	9,700,274	4,527,341	
Accumulated claim payment	(13,052,484)	(9,842,969)	(8,837,571)	(8,727,050)	(6,687,708)	(1,492,968)	
Subtotal	$ 282,636	$ 89,326	$ 470,548	$ 1,260,908	$ 3,012,566	$ 3,034,373	$ 8,150,357
Effect of discount							(765,299)
Effect of the risk adjustment for non-financial risk							1,106,854
Other liability for incurred claims							(1,811,202)
Total amount of liability for incurred claims of retention business							$ 6,680,710

December 31,2025	Accident year						
Development Year	Before 2020	2021	2022	2023	2024	2025	Total
At the end of the year	$ 13,542,914	$ 10,400,444	$ 11,636,878	$ 11,609,120	$ 10,131,131	$ 10,362,079	
After the first year	13,801,474	10,081,576	11,426,526	9,462,821	9,795,636		
After the second year	12,536,140	9,048,512	10,057,351	9,366,575			
After the third year	12,281,268	8,684,527	9,995,341				
After the fourth year	12,135,897	8,615,030					
After the fifth year	12,067,674						
Accumulated estimated claim amount	12,067,674	8,615,030	9,995,341	9,366,575	9,795,636	10,362,079	
Accumulated claim payment	(11,938,445)	(8,471,008)	(9,861,580)	(8,807,965)	(8,368,576)	(5,390,573)	
Subtotal	$ 129,229	$ 144,022	$ 133,761	$ 558,610	$ 1,427,060	$ 4,971,506	$ 7,364,188
Effect of discount							(96,759)
Effect of the risk adjustment for non-financial risk							1,402,538
Other liability for incurred claims							(593,678)
Total amount of liability for incurred claims of retention business							$ 8,076,289

Unit: NTD thousands (unless otherwise stated)

June 30,2025	Accident year						
Development Year	Before 2020	2021	2022	2023	2024	2025	Total
At the end of the year	$ 13,542,914	$ 9,281,890	$ 10,531,604	$ 10,479,481	$ 9,499,678	$ 3,949,596	
After the first year	13,296,051	8,857,419	10,027,006	9,320,208	9,860,666		
After the second year	13,150,050	8,730,149	9,967,893	9,478,568			
After the third year	13,117,924	8,633,310	10,073,230				
After the fourth year	13,050,638	8,589,308					
After the fifth year	12,987,460						
Accumulated estimated claim amount	12,987,460	8,589,308	10,073,230	9,478,568	9,860,666	3,949,596	
Accumulated claim payment	(12,793,917)	(8,348,367)	(9,671,270)	(8,514,601)	(7,301,442)	(1,585,410)	
Subtotal	$ 193,543	$ 240,941	$ 401,960	$ 963,967	$ 2,559,224	$ 2,364,186	$ 6,723,821
Effect of discount							352,290
Effect of the risk adjustment for non-financial risk							1,306,446
Other liability for incurred claims							(1,097,100)
Total amount of liability for incurred claims of retention business							$ 7,285,457

According to the table above, the estimated cumulative claim amount for each accident year is based on currently available information. However, the final result may deviate from the original estimate due to subsequent developments in the claim

7. Credit risk, liquidity risk and market risk of insurance contracts

Please refer to Note 7 for details regarding the credit and liquidity risks of insurance contracts and financial assets. Furthermore, the Company's insurance contracts are short-term policies, primarily because the claims payment period may exceed one year; however, the duration is approximately 1.15 to 4.13 years, therefore, there is no significant market interest rate risk.

The credit risk associated with future premium income from the issued insurance contracts is reduced because the insurance contract service is terminated when the policyholder fails to fulfill the premium payment obligation. Therefore, the Company's credit risk exposure is not significant.

The maximum credit risk exposure amounts for the reinsurance contracts held by the company as of June 30, 2026, December 31, 2025, and June 30, 2025 were $7,858,526, $7,692,209, and $7,027,955, respectively.

8. Financial risk management objectives and policies

Financial instruments other than derivatives held by the Company mainly include: cash and cash equivalents, and various investments. Such financial instruments are used to adjust the flow of operating funds. The Company also holds other financial assets and liabilities, such as notes receivable, premiums receivable, claims and benefits payable, due from (to) reinsurers & ceding companies, refundable deposits, resulted from business operations.

The Company also engages in derivatives trading, mainly on forward exchange agreements, to avoid exchange rate risks out of investment activities. The Company's policy is NOT to engage in derivative transactions for trading purposes.

The main risks of the Company's financial instruments are market risks, credit risks and liquidity risks. The risk management policy approved by the Board of Directors is as follows:

(1) Market risk

A. Exchange rate risk

The Company is exposed to the risk of fluctuated exchange rates between the U.S. dollar and the New Taiwan dollar due to holding foreign currencies from trust investments. Since the amounts of such investment positions are significant, forward exchange agreements are carried out to hedge this part of investment activities.

The Company is also exposed to the exchange rate risk arising from reinsurance of business operations denominated in non-functional currencies. However, this type of transactions usually has a short cash collection period with less significant exchange rate fluctuation, and therefore transactions as such are usually not hedged.

The conditions for the hedging tools and for the hedged items are the same based on the Company's self-assessment, so as to maximize the hedging efficacy.

B. Interest rate risk

The interest rate risk is a result from fluctuated fair value of financial instruments or fluctuated cash flows in the future due to changes in market interest rates, and the floating interest rate assets held by the company as well as the floating interest rate debts undertaken by the company may lead risks arising from fluctuated cash flows in the future due to the changes in the market interest rates; however, the Company's financial instruments are all capital-guaranteed, and therefore the impact is not significant.

Unit: NTD thousands (unless otherwise stated)

C. Equity price risk

The company holds domestic and foreign listed and unlisted equity securities, whose prices will be affected by the uncertainty of the future value of their invested targets. These listed and unlisted equity securities held by the Company are included in the fair value measurement through profit or loss and the fair value measurement through other comprehensive profit or loss. Investment portfolios are used to set investment limits on single and overall equity securities to manage the price risks.

(2) Credit risk

A. Credit risk management policy

The company only deals with third parties that have been recognized as having good credit and, as the corporate policy requires, a credit transaction must go through a credit confirmation procedure before being carried out, and the recovery of premiums and bills receivable are continuously surveyed and evaluated and, as a result, the Company has maintained a good status from bad debts. If the counterparty shows credibility issues, however, relevant contracts will be suspended and the related rights and obligations will not be exercised until it gets back to the transaction status.

The credit risks to which the Company's financial transactions are exposed include issuer credit risk, counterparty credit risk and underlying asset credit risk:

a. The issuer credit risk refers to the risk of financial losses incurred by the Company due to the holding of financial debt instruments or deposits in banks for which payments or compensation obligations are not performed because of default, bankruptcy or liquidation of the issuer, guarantor or bank, in accordance with the agreed terms.

b. The counterparty credit risk refers to the risk of financial losses incurred by the Company due to the transactions of financial instruments, with which the counterparty fails to perform the delivery or payment obligations on the agreed date.

c. The underlying asset credit risk refers to the risk of losses due to the weakened credit quality, increased credit discounts, downgraded credit ratings, or breach of contract concerning the underlying asset linked to financial instruments.

The IFRS 9 is taken to assess expected credit losses, and except for receivables, for which allowance for loss is measured by the lifetime expected credit loss, the rest debt instruments not measured at fair value through profit or loss have the allowance for loss measured based on the lowest risk credit at initial procurement, and on every balance sheet date whether the credit risk is significantly increased since the initial recognition is assessed to determine the method and the loss rate for measuring the allowance for loss. The method and indicators used to assess the impairment of the debt instrument investments are described as follows:

			Loss rates		
Credit risk ratings	Indicators	Expected credit loss measurement method	June 30, 2026	December 31, 2025	June 30, 2025
Low credit risk	Credit rating above Baa3	12-month expected credit loss	0.0139%~ 0.2084%	0.0154%~ 0.2100%	0.0012%~ 0.2100%

The financial assets with recovery unable to be reasonably expected (e.g. the issuer or debtor has major financial difficulties, or has gone bankrupt) are written off.

The debt instruments with increased credit risks are promptly disposed to reduce credit losses. To assess the expected credit losses based on IFRS 9, the forward-looking information (obtained without excessive cost or investment) used also includes general economic information and industry information, and the lose rate is adjusted if the information shows significant impact on the credit losses.

B. Judgment that the credit risk has increased significantly since initial recognition

a. The financial instruments are assessed for impairment based on IFRS 9 on every reporting date, to judge whether the credit risk has significantly increased since the initial recognition. This assessment considers reasonable and supportive information (including forward-looking one) that shows a significant increase in the credit risk since the initial recognition, and the main indicators include external credit ratings, credit spreads, and other market information related to the borrowers or issuers showing a significant increase of the credit risk.

b. Low credit risk: If a financial instrument is judged as having low credit risk on the reporting date, it can be assumed that the credit risk of the financial instrument has not significantly increased since initial recognition.

C. Defaulted and credit impaired financial assets
The default of a financial asset is defined the same as with its credit impairment, and one or more of the following conditions are met, the financial asset is judged as defaulted and credit impaired:

a. Quantitative indicator: When the contract payment is overdue for more than 90 days, the financial asset is judged as defaulted and credit impaired.

b. Qualitative indicator: When evidence shows that the issuer or borrower is unable to fulfill the contract payment, or that the issuer or borrower has major financial difficulties, such as:

(A) The issuer or borrower is bankrupt or may apply for bankruptcy or financial restructuring; or
(B) Failure to pay the principal or interest in accordance with the agreed terms; or
(C) The borrower's collateral is under provisional attachment or compulsory collection; or
(D) The borrower applies for changing the credit terms due to financial difficulties.

c. The above definitions of default and credit impairment apply to all financial assets held by the Company, and are consistent with the definitions used for financial assets at stake for internal credit risk management, and are also used in the relevant impairment assessment models.

Unit: NTD thousands (unless otherwise stated)

D. Measurement of expected credit losses

a. The approach and assumption

The allowance for loss of the financial instruments with no significant increase of credit risks since initial recognition is measured by the 12-month expected credit loss; the allowance for loss of the financial instruments with significant increase of credit risk or credit impairment since initial recognition is measured by the lifetime expected credit loss.

To measure the expected credit loss, the probability of default (PD) in the next 12 months and in the lifetime of the financial instruments are considered, with the loss given default (LGD) accommodated, multiplied by the exposure at default (EAD), along with additional consideration on the influence of the time value of money, and then the expected credit loss is calculated for the 12 months and for the lifetime duration, respectively.

The PD is the probability that the issuer, guarantee agency or borrower will default, and the LGD is the loss ratio caused by the issuer, guarantee agency or borrower when the default occurs. The LGD used for the impairment assessment is based on the information regularly published by Moody’s, an international credit rating agency; the PD is based on the information regularly published by the Taiwan Ratings and Moody’s, taking into account historical data adjusted based on currently observable data and general economic information (such as GDP and economic growth rate). The EAD is measured at the amortized cost and interests receivable of financial assets.

b. Consideration of forward-looking information

The forward-looking information is taken into consideration when the expected credit loss of financial assets is measured.

E. Analysis of risk concentration

a. The following table shows the geographical distribution of the credit risk exposure of the financial assets:

June 30, 2026

Financial assets	Taiwan	America	Emerging market and others	Total
Cash and cash equivalents (Note 1)	1,861,682	-	-	1,861,682
Financial assets at fair value through profit or loss	2,530,018	1,422,936	434,206	4,387,160
Financial assets at fair value through other comprehensive income	-	299,302	-	299,302
Financial assets at amortized cost (Note 2)	23,301,830	777,367	-	24,079,197
Other financial assets	-	-	-	-
Total	27,693,530	2,499,605	434,206	30,627,341
Regional proportion to overall	90%	8%	2%	100%

Unit: NTD thousands (unless otherwise stated)

December 31, 2025

Financial assets	Taiwan	America	Emerging market and others	Total
Cash and cash equivalents (Note 1)	12,819,598	-	-	12,819,598
Financial assets at fair value through profit or loss	50,114	-	-	50,114
Financial assets at fair value through other comprehensive income	-	298,772	-	298,772
Financial assets at amortized cost (Note 2)	13,136,892	2,501,077	457,045	16,095,014
Other financial assets	299,949	-	-	299,949
Total	26,306,553	2,799,849	457,045	29,563,447
Regional proportion to overall	89%	9%	2%	100%

June 30, 2025

Financial assets	Taiwan	America	Emerging market and others	Total
Cash and cash equivalents (Note 1)	12,744,607	-	-	12,744,607
Financial assets at fair value through profit or loss	50,101	-	-	50,101
Financial assets at fair value through other comprehensive income	-	295,402	-	295,402
Financial assets at amortized cost (Note 2)	12,344,475	2,335,123	426,460	15,106,058
Other financial assets	299,827	-	-	299,827
Total	25,439,010	2,630,525	426,460	28,495,995
Regional proportion to overall	89%	9%	2%	100%

Note 1: Cash and cash equivalents exclude cash on hand and working capital.
Note 2: Including security deposits

b. The following table shows the industrial distribution of the credit risk exposure of the financial assets:

Unit: NTD thousands (unless otherwise stated)

June 30, 2026

Financial assets	Finance	Communication & technology	Others	Total
Cash and cash equivalents (Note 1)	1,861,682	-	-	1,861,682
Financial assets at fair value through profit or loss	2,048,782	1,023,505	1,314,873	4,387,160
Financial assets at fair value through other comprehensive income	-	-	299,302	299,302
Financial assets at amortized cost (Note 2)	21,090,782	299,889	2,688,526	24,079,197
Other financial assets	-	-	-	-
Total	25,001,246	1,323,394	4,302,701	30,627,341
Regional proportion to overall	82%	4%	14%	100%

December 31, 2025

Financial assets	Finance	Communication & technology	Others	Total
Cash and cash equivalents (Note 1)	12,819,598	-	-	12,819,598
Financial assets at fair value through profit or loss	50,114	-	-	50,114
Financial assets at fair value through other comprehensive income	-	-	298,772	298,772
Financial assets at amortized cost (Note 2)	10,284,306	1,593,037	4,217,671	16,095,014
Total	299,949	-	-	299,949
Other financial assets	23,453,967	1,593,037	4,516,443	29,563,447
Regional proportion to overall	79%	6%	15%	100%

June 30, 2025

Financial assets	Finance	Communication & technology	Others	Total
Cash and cash equivalents (Note 1)	12,744,607	-	-	12,744,607
Financial assets at fair value through profit or loss	50,101	-	-	50,101
Financial assets at fair value through other comprehensive income	-	-	295,402	295,402
Financial assets at amortized cost (Note 2)	9,033,213	1,905,983	4,166,862	15,106,058
Other financial assets	299,827	-	-	299,827
Total	22,127,748	1,905,983	4,462,264	28,495,995
Regional proportion to overall	77%	7%	16%	100%

Note 1: Cash and cash equivalents exclude cash on hand and working capital.

Note 2: Including security deposits

Unit: NTD thousands (unless otherwise stated)

F. Analysis of credit risk quality

The financial assets of the Company have good credit quality and are all investment grade. Investment grade refers to credit rating above BBB- and non-investment grade refers to BBB- or lower.

G. Maximum total book value of credit risk exposure and credit quality classification

	June 30, 2026				
	Stage 1	Stage 2	Stage 3		
	12-month expected credit loss	Lifetime expected credit loss	Lifetime Expected credit loss	Purchased or credit-impaired financial assets	Total book value
Financial assets at amortized cost	$24,140,052	$-	$-	$-	$24,140,052
Financial assets at fair value through other comprehensive income	370,927	-	-	-	370,927
Other financial assets	-	-	-	-	-

	December 31, 2025				
	Stage 1	Stage 2	Stage 3		
	12-month expected credit loss	Lifetime expected credit loss	Lifetime Expected credit loss	Purchased or credit-impaired financial assets	Total book value
Financial assets at amortized cost	$16,086,914	$-	$-	$-	$16,086,914
Financial assets at fair value through other comprehensive income	371,992	-	-	-	371,992
Other financial assets	312,358	-	-	-	312,358

	June 30, 2025				
	Stage 1	Stage 2	Stage 3		
	12-month expected credit loss	Lifetime expected credit loss	Lifetime Expected credit loss	Purchased or credit-impaired financial assets	Total book value
Financial assets at amortized cost	$15,282,730	$-	$-	$-	$15,282,730
Financial assets at fair value through other comprehensive income	373,327	-	-	-	373,327
Other financial assets	310,135	-	-	-	310,135

Note: Including security deposits and interests receivable of financial assets.

H. Reconciliation of allowance for loss from beginning balance to ending balance

	12-month expected credit loss		Lifetime expected credit loss
	Measured at fair value through other comprehensive income	Measured at amortized cost	Measured at amortized cost
January 1, 2026	$242	$8,167	$-
Effect of redesignation	-	(1,399)	-
Derecognition	-	(180)	-
Originated or purchased	-	497	-
Change of model/risk parameters	5	130	-
June 30, 2026	$247	$7,215	$-

Unit: NTD thousands (unless otherwise stated)

	12-month expected credit loss		Lifetime expected credit loss
	Measured at fair value through other comprehensive income	Measured at amortized cost	Measured at amortized cost
January 1, 2025	$232	$7,231	$-
Derecognition	-	-	-
Originated or purchased	-	737	-
Change of model/risk parameters	10	(249)	-
June 30, 2025	$242	$7,719	$-

I. Credit risk of reinsurance

The credit quality of our reinsurance counterparties is well, and the Company diversify credit risk by dealing with multiple counterparties, making the likelihood of default extremely low. Furthermore, the reinsurers are reviewed and approved by the Company, and the reinsurance department periodically checks the latest approved list. The credit quality information for reinsurance contracts held by the reinsurer's assets as of June 30, 2026, December 31, 2025, and June 30, 2025 is as follows:

June 30, 2026

S&P	Portfolio of reinsurance contracts held by assets	Percentage
AA+	$115,217	1.15%
AA	208,170	2.08%
AA-	719,779	7.18%
A++	5,063,176	50.52%
A+	2,943,904	29.38%
A	727,609	7.26%
A-	242,310	2.42%
CCC+	469	0.00%
No rating	937	0.01%
Total	$10,021,571	100.00%

December 31, 2025

S&P	Portfolio of reinsurance contracts held by assets	Percentage
AA+	$96,721	0.94%
AA	275,230	2.68%
AA-	648,326	6.30%
A++	5,130,496	49.88%
A+	3,201,379	31.12%
A	728,260	7.08%
A-	206,131	2.00%
Total	$10,286,543	100.00%

Unit: NTD thousands (unless otherwise stated)

June 30, 2025

S&P	Portfolio of reinsurance contracts held by assets	Percentage
AA+	$105,536	1.00%
AA	194,893	1.85%
AA-	741,259	7.04%
A++	5,265,470	50.04%
A+	3,145,892	29.91%
A	856,896	8.14%
A-	212,263	2.02%
Total	$10,522,209	100.00%

J. The notes receivable and other receivables are grouped based on the counterparty's credit rating, region and industry, and the allowances for losses measured with the provision matrix are as follows:

	June 30, 2026				
	0–90 days	91–180 days	181–365 days	over 366 days	Total
Expected credit loss	0%-1%	1%-100%	2%-100%	50%-100%	
Total book value	$688,859	$34	$2	$1,124	$690,019
Allowance for loss (expected credit loss)	(2,498)	(34)	(2)	(1,124)	(3,658)
Total	$686,361	$-	$-	$-	$686,361

	December 31, 2025				
	0–90 days	91–180 days	181–365 days	over 366 days	Total
Expected credit loss	0%-1%	1%-100%	2%-100%	50%-100%	
Total book value	$668,758	$704	$692	$-	$670,154
Allowance for loss (expected credit loss)	(3,877)	(704)	(692)	-	(5,273)
Total	$664,881	$-	$-	$-	$664,881

	June 30, 2025				
	0–90 days	91–180 days	181–365 days	over 366 days	Total
Expected credit loss	0%-1%	1%-100%	2%-100%	50%-100%	
Total book value	$608,427	$118	$191	$55	$608,791
Allowance for loss (expected credit loss)	(3,279)	(118)	(191)	(55)	(3,643)
Total	$605,148	$-	$-	$-	$605,148

(3) Operational risk

The purpose is to avoid potential losses out of improper internal control, fraud, corruption, and negligence. The Company has established separate operating procedures and computer systems with the frontend and backend platforms and middleware according to the business features to effectively manage operational risks by way of strict internal control and auditing as well as external reviews and statutory compliance. The company has also formulated and implemented the "Operational Risk Management Mechanism" for risk assessment by each department; also, the "Guidelines for Risk Early Warning and Reporting" is set up to establish a loss experience database.

(4) Liquidity risk

A. Definition and source of liquidity risk

The liquidity risk of financial instruments can be divided as "fund liquidity risk" and "market liquidity risk." The "fund liquidity risk" refers to the risk that necessary and sufficient funds are not available within a reasonable time and at a reasonable cost, resulting in a funding gap; the "market liquidity risk" refers to the losses incurred due to assets sold below the market price in order to acquire necessary funds.

B. Liquidity risk management

Based on the business features, the short-term cash flows are regularly assessed and monitored under a sound liquidity risk management mechanism, where the market transaction volumes and proportionality of fund positions are considered for prudent control of the market liquidity risk; also, contingency plans are drawn up to deal with major liquidity risks out of abnormal and emergent fund demands.

Stress testing analysis is to test changes in funding liquidity under various combinations of extremely abnormal and unfavorable situations to ensure safe funding liquidity. The stress scenarios assumed include major market fluctuations, occurrences of various credit events, and unexpected tightening of financial market liquidity that may generate liquidity pressures, and the test is to measure the changes in positive and negative funding gaps of the overall corporate fund supply and demand in various periods without affecting normal business operations. Aimed at the funding gaps resulted from the stress testing scenarios, contingency plans have been set up to deal with such major liquidity risks out of the assumed abnormal and emergent demands on funds.

C. The table below shows the Company's insurance liabilities and non-derivative financial liabilities, analyzed based on the remaining period from the end of the reporting period to the contract maturity date:

a. Insurance liabilities(including PAA)

	Subsequent years after the balance sheet date						
June 30, 2026	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Above 5 years	Total
The portfolio of insurance contracts issued as liability	16,022,781	6,443,193	2,314,198	1,483,185	886,568	1,339,230	28,489,155

Unit: NTD thousands (unless otherwise stated)

	Subsequent years after the balance sheet date						
December 31, 2025	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Above 5 years	Total
The portfolio of insurance contracts issued as liability	17,108,186	6,244,652	1,762,364	1,083,894	727,022	1,039,471	27,965,589

	Subsequent years after the balance sheet date						
June 30, 2025	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Above 5 years	Total
The portfolio of insurance contracts issued as liability	17,310,644	5,300,925	1,827,049	1,183,401	840,490	1,400,254	27,862,763

b. Non-derivative financial liabilities

	Undiscounted contract cash flows			
June 30, 2026	Less than 1 year	1 to 5 years	5 to 10 years	Above 10 years
deposits received (listed in Other liabilities)	$3,447	$8,147	$64	$-
December 31, 2025	Less than 1 year	1 to 5 years	5 to 10 years	Above 10 years
deposits received (listed in Other liabilities)	$5,019	$9,151	$64	$-
June 30, 2025	Less than 1 year	1 to 5 years	5 to 10 years	Above 10 years
deposits received (listed in Other liabilities)	$6,138	$8,931	$-	$-

(5) Market risk analysis

Market risk refers to the risk of reduced benefits or investment portfolio values due to changes in the market factors such as exchange rates, commodity prices, interest rates, credit spreads, and stock prices.

The market risk management tools such as Value at Risk (VaR) and stress testing are constantly used to comprehensively and effectively measure, monitor and manage the market risks.

A. Value at risk (VaR)

The VaR is used to measure the maximum potential loss incurred by investment portfolios due to changes in market risk factors during a specific period and under a certain confidence level. The Company currently take a confidence level of 99% to calculate VaR for the next two weeks.

The VaR of relevant asset positions is shown in the following table:

Unit: NTD thousands (unless otherwise stated)

June 30, 2026

	Equity	Bond	Domestic Assets	Foreign Assets	Total VaR
Component VaR	$1,121,963	$183,303	$1,132,569	$134,389	$1,151,649

December 31, 2025

	Equity	Bond	Domestic Assets	Foreign Assets	Total VaR
Component VaR	$650,748	$18,263	$651,562	$20,519	$657,092

June 30, 2025

	Equity	Bond	Domestic Assets	Foreign Assets	Total VaR
Component VaR	$747,874	$19,188	$750,124	$23,604	$745,473

B. Stress testing

With the VaR model, regular stress testing is given to measure potential market risks when extremely abnormal events occur. The stress testing measures the potential impact on the value of the investment portfolio from extreme changes in a series of financial variables.

Currently a simple sensitivity analysis and a scenario simulation are regularly given to carry out the stress test on the financial positions, and the test covers loss of position caused by the change of risk factors in various historical scenarios:

(A) Simple sensitivity analysis

The simple sensitivity analysis measures the changed value of the investment portfolio caused by changes in specific risk factors.

(B) Scenario Analysis

The scenario analysis measures the changed total value of investment positions that occurs under hypothetical events, and the scenarios include:

a. Historical scenarios:

A period of historical events is selected, and the fluctuated risk factors in the period are added to the current investment portfolio to calculate the loss out of the historical events.

b. Hypothetical scenarios:

With a reasonably expected hypothesis that could lead to extreme market changes in the future, its changed risk factors are added to the current investment portfolio to measure the loss out of the hypothetical events.

The Investment Department regularly carries out the stress test under hypothetical scenarios and send the resulted reports to the Risk Management Department for the corporate risk analysis, risk warning and business management.

June 30, 2026

Risk factors	Changed value (+/-)	Position profit and loss (P/L)
Equity risk (stock price index)	-10%	($1,050,029)
Interest rate risk (yield rate curve)	+100bp	(512,797)
Exchange rate risk (exchange rate)	-5%	(15,678)

Unit: NTD thousands (unless otherwise stated)

December 31, 2025

Risk factors	Changed value (+/-)	Position profit and loss (P/L)
Equity risk (stock price index)	-10%	($805,668)
Interest rate risk (yield rate curve)	+100bp	(51,441)
Exchange rate risk (exchange rate)	-5%	(45,188)

June 30, 2025

Risk factors	Changed value (+/-)	Position profit and loss (P/L)
Equity risk (stock price index)	-10%	($752,762)
Interest rate risk (yield rate curve)	+100bp	(55,145)
Exchange rate risk (exchange rate)	-5%	(52,161)

(6) Climate-related risk

With the increasing risk of climate change, the Company has established a climate change committee under the Risk Management Committee the Project Working Group on Risk-related Issues (the TCFD Working Group) is responsible for discussions on climate change risks and assist in the development of decarbonisation and adaptation measures to reduce risks. The Board of Directors oversees climate change The Risk Management Committee and the Corporate Sustainability Committee, the functional committees of the Board of Directors, are responsible for overseeing the implementation of risks and opportunities related to climate change, respectively line situation. In addition, a climate change risk management mechanism has been put in place to incorporate the identified climate-related risks into an important consideration in the Company's operations, to strengthen climate-related risk management to mitigate the impact of climate change, and to conduct stress tests on businesses affected by climate change in the self-risk and solvency assessment report, and to strengthen climate change risk management during underwriting, as well as to arrange reinsurance risk diversification. In the future, the Company will continue to review climate risk changes, assess the opportunities brought by climate changes, and adjust the Company's insurance products and business strategies.

10. Fair value information of financial instruments

(1) The methods and assumptions used to measure fair values are as follows:

A. The fair values of cash and cash equivalents, receivables and payables are estimated based on their book values on the balance sheet, because such items will become mature shortly and thus their book values are a reasonable basis for measuring the fair values.

B. The fair values of financial assets and financial liabilities that have standard terms and conditions and are traded in active markets are determined by reference to market quotes (including beneficiary certificates, listed stocks and bonds).

C. The fair values of derivatives are based on public quotes. When public quotes are not available, the fair values of non-option derivatives are calculated with the applicable lifetime yield curve by discounted cash flow analysis, while the fair values of option derivatives are calculated by the option pricing model.

Unit: NTD thousands (unless otherwise stated)

D. The fair values of other financial assets and financial liabilities are determined based on the discounted cash flow analysis, where the assumptions such as interest rates and discount rates are mainly based on the information of similar instruments and applicable lifetime yield curves.

(2) Fair value by financial assets measured at amortized cost

Except for those listed in the following table, the book values of financial assets and financial liabilities measured by amortized cost approximate their fair values:

	Book value		
	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at amortized cost	$23,567,313	$15,581,212	$14,590,317
Refundable deposits – by government bonds	511,884	513,802	515,741

	Fair value		
	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
Financial assets at amortized cost	$23,401,144	$15,346,656	$14,050,646
Refundable deposits – by government bonds	494,364	502,228	501,345

(3) Fair value recognized on balance sheet

The following table provides the analysis of financial instruments measured at fair value after initial recognition, by dividing the fair values into the following three levels:

Level 1: Public quotes (unadjusted) of the same assets or liabilities in the active market.

Level 2: Except for the Level 1 public quotes, the fair value is derived from the direct observable input values (i.e. prices) and indirect ones (i.e. derivatives from prices) of the assets or liabilities.

Level 3: The fair value is derived with the appraisal technology that is not based on input values of the assets or liabilities from the observable market data.

Financial instruments measured at fair value	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss				
Stock	$1,014,929	$1,014,929	$-	$-
Bonds	4,387,160	2,338,378	2,048,782	-
Fund	2,568,503	2,568,503	-	-
Financial assets at fair value through other comprehensive income				
Stock	11,169,938	10,610,467	-	559,471
Bonds	299,302	299,302	-	-

Unit: NTD thousands (unless otherwise stated)

Financial instruments measured at fair value	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	133,509	-	133,509	-

Financial instruments measured at fair value	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss				
Stock	$8,512,803	$8,127,230	$-	$385,573
Bonds	50,114	-	50,114	-
Fund	2,728,083	2,728,083	-	-
Forward exchange contracts	20,545	-	20,545	-
Financial assets at fair value through other comprehensive income				
Stock	960,919	747,717	-	213,202
Bonds	298,772	298,772	-	-
Financial liabilities				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	80,758	-	80,758	-

Financial instruments measured at fair value	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Financial assets				
Financial assets at fair value through profit or loss				
Stock	$7,104,333	$6,717,464	$-	$386,869
Bonds	50,101	-	50,101	-
Fund	3,475,653	3,475,653	-	-
Forward exchange contracts	233,681	-	233,681	
Financial assets at fair value through other comprehensive income				
Stock	967,794	734,868	-	232,926
Bonds	295,402	295,402	-	-
Financial liabilities				
Financial liabilities at fair value through profit or loss				

The assets and liabilities measured at repetitive fair value during January 1 to June 30, 2026 and 2025, had no transfer between the Level 1 and Level 2 fair values.

Unit: NTD thousands (unless otherwise stated)

(4) Details of changes in the Level 3 repetitive fair value

From the beginning to the end of the period, the adjusted balances of the Level 3 assets and liabilities measured at repetitive fair value are as follows:

	Assets		
	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
January 1, 2026	$385,573	$213,202	$598,775
Recognized total profits (losses):			
Recognized as other comprehensive income (under “Unrealized valuation profit or loss on equity instruments measured at fair value through other comprehensive income”)	-	(35,143)	(35,143)
Financial asset reclassification	(385,573)	385,573	-
Disposal/settlement	-	(4,161)	(4,161)
June 30, 2026	$-	$559,471	$559,471

	Assets		
	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Total
January 1, 2025	$380,153	$233,969	$614,122
Recognized total profits (losses):			
Recognized as other comprehensive income (under “Unrealized valuation profit or loss on equity instruments measured at fair value through other comprehensive income”)	-	2,700	2,700
Recognized as gains and losses (under “Profit or loss on Financial Assets and Liabilities at Fair Value through profit or loss”)	6,716	-	6,716
Disposal/settlement	-	(3,743)	(3,743)
June 30, 2025	$386,869	$232,926	$619,795

Among the above recognized total profits (losses), those related to the assets held during January 1 to June 30, 2026 and 2025, respectively, are as follows:

Unit: NTD thousands (unless otherwise stated)

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Total profits (losses)		
Recognized in the profit or loss	$-	$-
Recognized in the other comprehensive income	(26,987)	(3,203)

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Total profits (losses)		
Recognized in the profit or loss	$-	$-
Recognized in the other comprehensive income	(35,711)	8,166

(5) The significant unobservable input values of the Level 3 fair value
The significant unobservable input values for measuring assets at Level 3 repetitive fair value are listed in the following table:

June 30, 2026

	Appraisal technology	Significant unobservable input values	Quantitative information	Relation between input value and fair value
Financial assets:				
Financial assets at fair value through other comprehensive income				
Unlisted stocks	Market approach, income approach, asset approach	Liquidity and minority share discount	0-30%	The higher liquidity and minority equity discount, the lower fair value estimate

December 31, 2025

	Appraisal technology	Significant unobservable input values	Quantitative information	Relation between input value and fair value
Financial assets:				
Financial assets at fair value through profit or loss				
Unlisted stocks	Income approach	Liquidity and minority share discount	0-30%	The higher liquidity and minority equity discount, the lower fair value estimate
Financial assets at fair value through other comprehensive income				
Unlisted stocks	Market approach, income approach, asset approach	Liquidity and minority share discount	0-30%	The higher liquidity and minority equity discount, the lower fair value estimate

Unit: NTD thousands (unless otherwise stated)

June 30, 2025

	Appraisal technology	Significant unobservable input values	Quantitative information	Relation between input value and fair value
Financial assets:				
Financial assets at fair value through profit or loss				
Unlisted stocks	Market approach	Liquidity discount	0-30%	The higher liquidity discount, the lower fair value estimate
Financial assets at fair value through other comprehensive income				
Unlisted stocks	Market approach, income approach, asset approach	Liquidity discount	0-30%	The higher liquidity discount, the lower fair value estimate

(6) Measurement not at fair value with required disclosure of fair value level

	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Assets with fair value disclosed only:				
Financial assets at amortized cost	$23,401,144	$10,269,987	$13,131,157	$-
Refundable deposits – by government bonds	494,364	-	494,364	-
Investment property (see Note 6.8)	3,356,203	-	-	3,356,203

	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Assets with fair value disclosed only:				
Financial assets at amortized cost	$15,346,656	$2,900,389	$12,446,267	$-
Refundable deposits – by government bonds	502,228	-	502,228	-
Investment property (see Note 6.8)	3,356,203	-	-	3,356,203

	June 30, 2025			
	Total	Level 1	Level 2	Level 3
Assets with fair value disclosed only:				
Financial assets at amortized cost	$14,050,646	$2,677,200	$11,373,446	$-
Refundable deposits – by government bonds	501,345	-	501,345	-
Investment property (see Note 6.8)	3,184,509	-	-	3,184,509

Unit: NTD thousands (unless otherwise stated)

8. Related party transactions

The transaction related parties in the Company's financial reporting period are:

1. Name and affiliation of the parties:

Name	Affiliation
Taiwan Shin Kong Security Co., Ltd.	Other related parities
Waibel Enterprise Inc.	Other related parities
Shin Kong Life Insurance Co., Ltd.	Other related parities
Shin Kong Mitsukoshi Department Store CO., LTD.	Other related parities
Shin Kong Synthetic Fibers Corporation	Other related parities
Shin Kong Textile Co., Ltd.	Other related parities
Shin-Kong Life Real Estate Service Co.,Ltd	Other related parities
Taoyuan Entertainment Co., Ltd.	Other related parities
Others	Directors, supervisors, chairman,president, managers, their spouses, and the relatives within 2nd degree of kinship

2. Major transactions with related parties:

(1) Premium revenues

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$6,229	$5,222

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$39,505	$45,203

The insurance business for related parties listed above is subject to the same underwriting conditions as for non-related parties.

(2) Insurance claims and benefits

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$-	$7,638

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$3,436	$12,353

The insurance business for related parties listed above is subject to the same underwriting conditions as for non-related parties.

Unit: NTD thousands (unless otherwise stated)

(3) Operating expenses

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$6,219	$1,943

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$8,346	$6,281

(4) Lease

Property investment gains and losses – rental income

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$79	$79

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$158	$158

Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Name	Amount	Amount	Amount
Shin Kong Life Insurance	$3,860	$4,807	$5,137

Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Name	Amount	Amount	Amount
Shin Kong Life Insurance	$3,969	$4,904	$5,219

Interest expenses

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$43	$26

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Name	Amount	Amount
Other related parities	$66	$55

Unit: NTD thousands (unless otherwise stated)

(5) Remunerations of key management staff:

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Short-term employee benefits	$78,521	$28,891
Retirement benefits	340	575
Total	$78,861	$29,466

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Short-term employee benefits	$164,434	$119,830
Retirement benefits	26,251	34,236
Total	$190,685	$154,066

9. Pledged assets

As of June 30, 2026, December 31, 2025 and June 30, 2025, respectively, the details of pledged and guarantee assets are as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds – insurance deposits	$511,884	$513,802	$515,741
Time deposit – performance bond	55,570	206,000	185,000

10. Major contingent liabilities and unrecognized contractual commitments

No such items

11. Major events after the reporting period

On July 24, 2026, the Board of Directors of the Company resolved to dispose of real estate. It is expected that a contract will be signed with Shin Kong Life Insurance Co., Ltd. for a transaction amount of $2,760,000, with an expected disposal profit of approximately $2,230,000. The actual transaction amount and disposal profit shall be subject to the final sales contract.

12. Major disaster losses

No such items

13. Proceeding or termination of major litigation cases

No such items

14. Execution, completion, cancellation or invalidation of major contracts

No such items

15. Employee pension information

See Note 6.13.

Unit: NTD thousands (unless otherwise stated)

16. Discontinued operations information

No such items

17. Receiving from or transferring to other insurance companies the main part of the business, assets and liabilities

No such items

18. Allocation of profits and losses from incomes, costs and expenses due to business transactions, collaborative promotions, information exchange, and shared business equipment or premises made with Shin Kong Financial Holdings and its subsidiaries.

No such items

19. Fund entrusted operations

The funds were fully entrusted to the securities investment trust companies for operations, and the details as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively, are as follows:

Item	June 30, 2026	December 31, 2025	June 30, 2025
Cash and cash equivalents	$8,487	$134,509	$176,613
TWSE (Taiwan Stock Exchange) listed/OTC stocks	1,014,929	406,905	264,630
Total	$1,023,416	$541,414	$441,243
Discretionary contract limit:			
New Taiwan Dollars (NTD)	$300,000	$300,000	$300,000

20. Private equity information

No such items

21. Major organizational restructuring and management system reforms

No such items

22. Major impact due to changes in laws and regulations

No such items

Unit: NTD thousands (unless otherwise stated)

23. Others

1. The total amount of assets and liabilities that are expected to be recovered or settled within 12 months after the balance sheet date, and the total amount to be recovered or settled more than 12 months

	June 30, 2026		
Item	Recovery or settlement within 12 months	Recovery or settlement more than 12 months	Total
Cash and cash equivalents	$1,868,086	$-	$1,868,086
Accounts receivable	686,361	-	686,361
Investment	8,170,592	37,306,232	45,476,824
Reinsurance contract assets	4,562,522	5,459,049	10,021,571
Property and equipment (net)	-	1,047,948	1,047,948
Right-of-use assets	-	291,862	291,862
Intangible assets	-	42,169	42,169
Deferred income tax assets	-	355,410	355,410
Other assets	126,802	810,203	937,005
Total assets	$15,414,363	$45,312,873	$60,727,236
Accounts Payables	$3,690,986	$-	$3,690,986
Current income tax liabilities	509,882	-	509,882
Financial liabilities	133,509	-	133,509
Insurance contract liabilities	16,022,781	11,621,928	27,644,709
Lease liabilitie	84,665	231,724	316,389
Deferred tax liabilities	-	36,309	36,309
Others	1,707,154	4,683,729	6,390,883
Total liabilities	$22,148,977	$16,573,690	$38,722,667

Unit: NTD thousands (unless otherwise stated)

Item	December 31, 2025		
	Recovery or settlement within 12 months	Recovery or settlement more than 12 months	Total
Cash and cash equivalents	$12,826,413	$-	$12,826,413
Accounts receivable	664,881	-	664,881
Investment	11,421,545	19,508,836	30,930,381
Reinsurance contract assets	6,378,866	3,907,677	10,286,543
Property and equipment (net)	-	1,064,203	1,064,203
Right-of-use assets	-	25,194	25,194
Intangible assets	-	48,358	48,358
Deferred income tax assets	-	171,735	171,735
Other assets	86,603	925,101	1,011,704
Total assets	$31,378,308	$25,651,104	$57,029,412
Accounts Payables	$1,357,766	$-	$1,357,766
Current income tax liabilities	487,940	-	487,940
Financial liabilities	80,758	-	80,758
Insurance contract liabilities	17,438,639	10,730,957	28,169,596
Lease liabilitie	10,350	15,413	25,763
Deferred tax liabilities	-	516,196	516,196
Others	1,587,064	2,278,147	3,865,211
Total liabilities	$20,962,517	$13,540,713	$34,503,230

	June 30, 2025		
Item	Recovery or settlement within 12 months	Recovery or settlement more than 12 months	Total
Cash and cash equivalents	$12,750,733	$-	$12,750,733
Accounts receivable	605,148	-	605,148
Investment	11,523,768	18,010,586	29,534,354
Reinsurance contract assets	-	10,522,209	10,522,209
Property and equipment (net)	-	1,162,866	1,162,866
Right-of-use assets	-	29,291	29,291
Intangible assets	-	53,989	53,989
Deferred income tax assets	-	165,555	165,555
Other assets	59,893	862,827	922,720
Total assets	$24,939,542	$30,807,323	$55,746,865
Accounts Payables	$3,367,188	$-	$3,367,188
Current income tax liabilities	403,630	-	403,630
Insurance contract liabilities	17,310,644	10,115,742	27,426,386
Lease liabilities	11,004	18,846	29,850
Deferred tax liabilities	-	536,478	536,478
Others	1,079,708	2,341,843	3,421,551
Total liabilities	$22,172,174	$13,012,909	$35,185,083

2. As of June 30, 2026, December 31, 2025 and June 30, 2025, the financial assets and liabilities in foreign currencies with major impacts are as follows:

	June 30, 2026		
	Foreign currencies (in dollars)	Exchange rate	NTD (in thousands)
Financial assets			
Monetary items			
USD	$125,859,960	31.800	$4,002,347

	December 31, 2025		
	Foreign currencies (in dollars)	Exchange rate	NTD (in thousands)
Financial assets			
Monetary items			
USD	$130,843,530	31.380	$4,105,870

	June 30, 2025		
	Foreign currencies (in dollars)	Exchange rate	NTD (in thousands)
Financial assets			
Monetary items			
USD	$136,406,232	29.250	$3,989,882

The above information is disclosed based on foreign currency carrying amounts (after converted into the functional currency).

The foreign currency exchange profits (loss) during April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025, were ($8,539), ($544,713), $17,310 and ($486,778), respectively.

3. Capital management policy

The primary objective of the Company's capital management is to ensure and maintain adequate capital and solvency to support the Company's continued and sound development. We regularly assess capital adequacy in accordance with relevant regulations and continuously review the impact of business development and various risks on capital requirements.

According to the "Insurance Act," the "Regulations Governing Capital Adequacy Management in the Insurance Industry," and related regulations, since 2026, the insurance industry in Taiwan has adopted the New Generation Solvency System (TW-ICS), with a statutory standard of 100% for capital adequacy ratio. Before 2025, the Risk-Based Capital System (RBC) was adopted, with a statutory standard of 200%. Furthermore, at least one of the two most recent net worth ratios must be at least 3%.

In accordance with the "Regulations Governing Capital Adequacy Management in the Insurance Industry," the Company calculates its capital adequacy ratio and net worth ratio every six months. These capital adequacy ratios consistently meet the applicable statutory standards for each period. The net asset value ratio is calculated by dividing equity by the total assets excluding detached account insurance products. The company's net asset value ratios as of June 30, 2026, December 31, 2025, and June 30, 2025 were 36.24%, 39.50%, and 36.88%, respectively, all of which meet the statutory standards.

4. Operations information

The Company operates a property insurance business in accordance with the Insurance Law. Based on IFRS 8, the Company only provides insurance contract products, with no different channels, customer types and supervision environments, and the decision making is based on overall allocation of the corporate resources and, as a result, the Company is a single operating department as a whole.

5. Reserve for unqualified reinsurance
   (1) Summary of unqualified reinsurance contracts are set forth as follows:

The Company entered into contracts with insurance companies and insurance brokers as follows: The scope of reinsurance is the same as the Company's insurance contracts.

Reinsurer/Reinsurance broker	Types of ceded reinsurance contract established
Trust International Insurance and Reinsurance CO. B.S.C. (C) Trust Re	cargo transportation insurance
Asia Capital Reinsurance Group Pte Ltd	cargo transportation insurance
Milli Reasurans T.A.S. Singapore Branch	cargo transportation insurance

(2) The reinsured parties of the Company's valid policies up to June 30, 2026 and 2025 were unqualified, and the assessment results did not have a material effect on the Company's overall financial condition.

(The following is blank)

Unit: NTD thousands (unless otherwise stated)

6. Retention earned gross premiums of Compulsory Automobiles Liability Insurance

From January 1 to June 30, 2026

Category of insurance	insurance revenue of direct underwriting	insurance revenue of inward reinsurance	outward reinsurance allocation of the premiums paid	insurance finance income or expenses of direct underwriting – excluding any loss component	insurance finance income or expenses of inward reinsurance– excluding any loss component	finance income or expenses of reinsurance contracts held – excluding any loss component recovery	retention earned gross premiums
Compulsory insurance	$634,053	$265,117	($380,890)	($1,805)	($758)	$1,012	$516,729

From January 1 to June 30, 2025

Category of insurance	insurance revenue of direct underwriting	insurance revenue of inward reinsurance	outward reinsurance allocation of the premiums paid	insurance finance income or expenses of direct underwriting – excluding any loss component	insurance finance income or expenses of inward reinsurance– excluding any loss component	finance income or expenses of reinsurance contracts held – excluding any loss component recovery	retention earned gross premiums
Compulsory insurance	$646,364	$269,789	($388,143)	($1,809)	($736)	$1,003	$526,468

Unit: NTD thousands (unless otherwise stated)

7. Retention claims of Compulsory Automobiles Liability Insurance

From January 1 to June 30, 2026

Category of insurance	incurred claims paid and other insurance service expenses paid for direct underwriting	incurred claims paid and other insurance service expenses paid for inward reinsurance	the amounts charged for outward reinsurance (recovered under reinsurance contracts held)	beginning balance of the liability for incurred retention claims	ending balance of the liability for incurred retention claims	retention claims
Compulsory insurance	$446,274	$234,406	$338,701	$761,073	$802,008	$382,914

From January 1 to June 30, 2025

Category of insurance	incurred claims paid and other insurance service expenses paid for direct underwriting	incurred claims paid and other insurance service expenses paid for inward reinsurance	the amounts charged for outward reinsurance (recovered under reinsurance contracts held)	beginning balance of the liability for incurred retention claims	ending balance of the liability for incurred retention claims	retention claims
Compulsory insurance	$449,458	$259,774	$326,730	$774,223	$770,730	$379,009

Unit: NTD thousands (unless otherwise stated)

8. Compulsory Automobiles Liability Insurance financial information

The Company operates compulsory automobiles liability insurance business and, in accordance with the "Compulsory Automobiles Liability Insurance Act," has established an independent accounting to record the business and financial status of this insurance.

(1) The balance sheets for compulsory automobiles liability insurance as of June 30, 2026, December 31, 2025, and June 30, 2025 are as follows:

Assets	June 30, 2026	December 31, 2025	June 30, 2025
Cash and cash equivalents	$2,271,579	$2,105,650	$2,148,086
Reinsurance contract assets	797,563	758,608	756,516
Temporary debit and amount to be carried down	867	316	2,684
Total	$3,070,009	$2,864,574	$2,907,286
Liabilities			
Insurance contract liabilities	$2,212,423	$2,168,818	$2,162,187
Temporary credit and amount to be carried down	52	748	-
Special reserve	857,534	695,008	745,099
Total	$3,070,009	$2,864,574	$2,907,286

As of June 30, 2026, December 31, 2025, and June 30, 2025, the amounts classified under cash and cash equivalents in the financial statements were $624,779, $2,105,650, and $2,148,086, respectively; as of June 30, 2026, non-short-term time deposits amounting to $1,646,800 were classified under financial assets measured at amortized cost.

(2) The revenue and cost statements for compulsory automobiles liability insurance from January 1 to June 30, 2026 and 2025 are as follows:

	From April 1 to June 30, 2026	From April 1 to June 30, 2025
Insurance service result		
Insurance revenue	$449,705	$457,550
Insurance service expenses	(368,034)	(253,083)
Income or expenses from reinsurance contracts held	(42,018)	(65,846)
Total insurance service result	$39,653	$138,621
Financial result		
Insurance finance income or expenses	($1,932)	($8,905)
Finance income or expenses of reinsurance contracts held	844	2,730
Total financial result	($1,088)	($6,175)
Other operating result		
Other operating costs－interest revenue	$2,953	$2,436
Other operating costs – special reserve net change	(48,213)	(141,747)
Total other operating result	($45,260)	($139,311)

Unit: NTD thousands (unless otherwise stated)

	From January 1 to June 30, 2026	From January 1 to June 30, 2025
Insurance service result		
Insurance revenue	$899,170	$916,152
Insurance service expenses	(745,044)	(671,076)
Income or expenses from reinsurance contracts held	(7,598)	(81,777)
Total insurance service result	$146,528	$163,299
Financial result		
Insurance finance income or expenses	($6,103)	($14,735)
Finance income or expenses of reinsurance contracts held	2,624	4,811
Total financial result	($3,479)	($9,924)
Other operating result		
Other operating costs－interest revenue	$5,907	$4,872
Other operating costs – special reserve net change	(162,526)	(171,918)
Total other operating result	($156,619)	($167,046)

9. Effect of applying IFRS 17

IFRS 17, ‘Insurance contracts’ replaces IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The standard applies to insurance contracts (including reinsurance contracts) issued, to reinsurance contracts held and to investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the insurance contracts. An entity shall, at initial recognition, disaggregate a portfolio into three groups of contracts: onerous, no significant risk of becoming onerous, and remaining contracts. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin (‘CSM’) representing the unearned profit of the contract. An entity may apply a simplified measurement approach (the premium allocation approach) to some insurance contracts. An entity recognizes the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately. Entities are required to present separately insurance revenue, insurance service expenses and insurance finance income or expenses and to disclose information about amounts, judgements and risks arising from insurance contracts. For accounting policies related to insurance contracts/reinsurance contracts, please refer to Note 4.13.

(1) Method of the transition date

The transition date is the commencement date of the reporting period one year prior to the date of initial application. According to the regulations under the standards, the full retrospective approach shall be adopted to retrospectively apply IFRS 17 for the measurement at the transition date. However, if it is impracticable, the modified retrospective approach or the fair value approach shall be applied, and should be handled in accordance with the Financial

Unit: NTD thousands (unless otherwise stated)

Supervisory Commission Order No. 11404901651.

A. Modified retrospective approach: To achieve the results as close as possible to the full retrospective approach without excess cost or input.

B. Fair value approach: The contractual service margin is determined by the difference between the fair value of a group of insurance contracts, calculated in accordance with IFRS 13 at the transition date, and the fulfilment cash flows measured at the transition date.

According to the transitional regulations, the Company should apply the full retrospective approach for measurement. However, if it is impracticable, the modified retrospective approach or the fair value approach shall be applied. Based on the fact that the majority of portfolios and groups of insurance contracts are short
term products and apply the measurement model of the premium allocation approach, except for long-term fire insurance policies that have been discontinued and are subject to the fair value approach, for policies that remain valid during the transition period, except for some general liability insurance, professional liability insurance, and engineering insurance policies with contract years prior to 2021 (inclusive) which will be subject to the modified retrospective approach, all others will be subject to the full retroactive approach.

(2) The Company has retrospectively applied IFRS 17 for all reporting periods in this financial report and adopted the transitional regulation of IFRS 17, exempting it from disclosing the effect of the application of IFRS 17 on various financial statement items and earnings per share.
The effect of the initial application of IFRS 17 on the Company's equity as of January 1, 2025 is presented in the table below:

	December 31,2024	Effect of Initial application of IFRS 17	January 1, 2025 (Restatement)
Capital stock	$3,159,633	$-	$3,159,633
Capital reserves	64,839	-	64,839
Retained earnings	15,235,095	2,971,118	18,206,213
Other equity	776,506	(858,078)	(81,572)
Total equity	$19,236,073	$2,113,040	$21,349,113

Unit: NTD thousands (unless otherwise stated)

(3) Effect of financial assets redesignation

As of January 1, 2026, the first application date of IFRS 17, the Company has redesignate financial assets. The Company has not restated previous periods (including comparative periods) to reflect changes in such designations or classifications, nor apply the "overlay approach".

	December 31,2025 before redesignation Amounts	financial assets redesignation recognition and measurement difference	January 1, 2026 after redesignation Amounts
Financial assets at fair value through profit or loss	$11,311,545	($5,764,095)	$ 5,547,451
Financial assets at fair value through other comprehensive income	1,259,691	8,105,896	9,365,588
Financial assets at amortized cost	15,581,212	(2,828,313)	12,752,900
Deferred income tax assets	171,735	103,477	275,212

The effect of the redesignation of the aforementioned financial assets on the Company's equity as of January 1, 2026 is shown in the table below:

	December 31,2025 (before redesignation)	Effect of financial assets redesignation	January 1, 2026 (after redesignation)
Capital stock	$3,159,633	$-	$3,159,633
Capital reserves	64,839	-	64,839
Retained earnings	19,394,958	(982,405)	18,412,553
Other equity	(93,248)	599,370	506,122
Total equity	$22,526,182	($383,035)	$22,143,147

24. Note disclosure

1. Major transactions

(1) The property acquisition that amounts to NT$100 million or more than 20% of the paid-in capital: No such transactions.

(2) The property disposal that amounts NT$100 million or more than 20% of the paid-in capital: No such transactions.

(3) The transaction of core business items engaged with related parties that amounts NT$100 million or more than 20% of the paid-in capital: No such transactions.

Unit: NTD thousands (unless otherwise stated)

(4) The receivable from a related party that amounts NT$100 million or more than 20% of the paid-in capital: No such transactions.
(5) Derivative transactions: See Note 6.3.
(6) Others: For business relationship and major transactions between parent and subsidiary companies, and for different accounting policies adopted by the parent company and subsidiary companies, the accounting policies should be disclosed and the amounts should be separately disclosed on the financial statements: Not applicable.

2. Reinvestment business: no such transactions

3. Investment and business in Mainland China: no such transactions

(The following is blank)