

Taiwan Fire & Marine Insurance Co., Ltd.

Financial Statements for The Years Ended
31 December 2025 and 2024
With Independent Auditors' Report

The reader is advised that these financial statements have been prepared originally in Chinese. These financial statements do not include additional disclosure information that is required for Chinese-language reports under the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. If there is any conflict between these financial statements and the Chinese version or any difference in the interpretation of the two versions, the Chinese language financial statements shall prevail.

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ICPA's Review Report

To Taiwan Fire & Marine Insurance Co., Ltd.:

Audit Opinions

We, as the CPAs, have completed the review of the balance sheets dated December 31 of 2025 and 2024 and the consolidated comprehensive income statement, consolidated statement of changes in equity, consolidated statement of cash flows, and consolidated financial statement from January 1 to December 31 of 2025 and 2024, including summaries of major accounting policies of Taiwan Fire & Marine Insurance Co., Ltd.

In our opinion, the aforementioned financial statements, in all material respects, have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRS Interpretations Committee (IFRS IC) Interpretations, and Standing Interpretations Committee (SIC) Interpretations, as approved and promulgated by the Financial Supervisory Commission. Accordingly, they fairly present the financial position of Taiwan Fire & Marine Insurance Co., Ltd. as of December 31, 2025, and 2024, as well as its financial performance and cash flows for the years ended December 31, 2025, and 2024.

Bases for the Audit Opinions

We are entrusted to conduct the audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. The responsibilities of the CPAs under the said standards will be explained further in the section about responsibilities in auditing the consolidated financial statement. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations pursuant to professional CPA standards and have remained independent of Taiwan Fire & Marine Insurance Co., Ltd. and fulfilled other responsibilities under said regulations. We believe that sufficient and adequate evidence has been obtained for the audit to serve as the basis for expressing the audit opinions.

Key Matters Being Audited

Key matters being audited refer to the most important matters based on the professional judgment of the CPAs to be included in the audit of the consolidated financial statement of 2025 of Taiwan Fire & Marine Insurance Co., Ltd. Such matters were addressed throughout the audit of the consolidated financial statement and during the formation of audit opinions. The CPAs do not express separate opinions regarding these matters.

Key matters being audited of the 2025 consolidated financial statement of Taiwan Fire & Marine Insurance Co., Ltd. are specified as follows:

Claim reserves

Descriptions for the Key Matters Being Audited

By nature, the claim reserves can be divided as reported but not paid or reported. The former is calculated by claim personnel based on the actual relevant information by insurance categories for each case; the latter is estimated in the manners meeting the actuarial principles by the actuarial personnel based on past claim experience and expenses by insurance categories. The key assumption is the development trend of the actual losses from claims in each accident year, and such trend is established by referring the actual experience of Taiwan Fire & Marine Insurance Co., Ltd.

Considering that the management's calculation of the claim reserves involves estimates, judgment, actuarial method and important hypotheses, any update on related information, deviation from important estimation and judgment, adoption of actuarial method or changes of important hypotheses will be critical to the calculation result of claim reserves. Therefore, it was included into the key audit matters (KAMs).

For the related accounting policies, accounting estimation and estimation uncertainties about the claim reserves, and related disclosure information, please refer to Note 4(14), 5, 19, 27, 28 and 29(1) of the Financial Statements.

Responding Audit Procedures

1. To understand the related internal control established by the management for the estimated claim reserves, and test the status of the compliance with the internal control.
2. The actuarial experts of the firm have assisted in the assessment of the reasonableness of the applied actuarial methods and key assumptions. The major procedure is as follows:
 - (1) The actuarial experts of the firm obtained the information from each accident year developed until December 31, 2025 (e.g. the policies with claims and the amounts of claims each year), and regenerated the development trend of losses, estimated loss rate and key assumptions using actuarial methods, in order to assess whether the

development trend of losses, estimated loss rate and key assumptions applied by Taiwan Fire & Marine Insurance Co., Ltd. are reasonable.

- (2) Based on the regenerated development trend of losses, estimated loss rate and key assumptions, the actuarial experts of the firm has estimated the final insurance claims as of December 31, 2025, while considering the paid claims by Taiwan Fire & Marine Insurance Co., Ltd. as of December 31, 2025, to assess the reasonableness of the claim reserves.
3. Take the samples from reported unpaid claims as the information about claim estimate, and check whether the reported unpaid claim reserves estimated in the samples were estimated based on said information about claim estimate.

Responsibilities of Management and Governance Unit in Consolidated Financial Statement

Management is responsible for preparing an adequately expressed consolidated financial statement in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and international financial reporting standards, international accounting standards, interpretations, and interpretation announcements approved and released to take effect by the Financial Supervisory Commission and maintaining the necessary internal controls relevant to the compilation of the consolidated financial statement in order to ensure that no significant untruthful expressions exist in the consolidated financial statement due fraud or error.

While preparing the consolidated financial statement, the management is responsible for evaluating the ability of Taiwan Fire & Marine Insurance Co., Ltd. to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate Taiwan Fire & Marine Insurance Co., Ltd. or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

The governance unit (including the Audit Committee) of Taiwan Fire & Marine Insurance Co., Ltd. is responsible for supervising the financial reporting process.

CPAs Responsibilities in Auditing Consolidated Financial Statements

We audit the consolidated financial statement in order to be reasonably convinced as to whether the consolidated financial statement as a whole contains major untruthful expressions due to frauds or errors and to issue the audit report. Reasonably convinced is highly convinced. There is no guarantee, however, that existence of significant untruthful expressions in the consolidated financial statement will be detected according to Standards on Auditing (TWSA). Untruthful expressions might have been caused by fraud or errors. If individual values or an

overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of the consolidated financial statement, they are considered significant.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of significant untruthful expressions in the consolidated financial statement due to frauds or errors, design and enforce appropriate responsive policies for determined risks; and collect sufficient and adequate evidence from the audit in order to render audit opinions. Because fraud may involve collusion, forging, intentional omission, untruthful statement, or non-compliance with internal control, the risk associated with undetected significant untruthful expressions caused by fraud is higher than that those caused by errors.
2. Obtain a necessary understanding of internal control concerning the audit in order to design appropriate audit procedures reflective of then-current situation. The purpose, however, is not to effectively express opinions on the internal control of Taiwan Fire & Marine Insurance Co., Ltd.
3. Evaluate the adequacy of accounting policies adopted by the management and the legitimacy of accounting estimates and related disclosures made.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operations used by management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of Taiwan Fire & Marine Insurance Co., Ltd. to continue with existing operations or that are not in accordance with the evidence obtained from the audit. In the event that it is determined that significant uncertainties exist with such events or conditions, on the other hand, the CPAs must remind users of the consolidated financial statement in their audit report that they should pay attention to related disclosures included in the statement or modify their audit opinions if such disclosures are inappropriate. Conclusions made by the CPAs are based on the evidence from the audit obtained as of the date of the audit report. Future events or conditions, however, are likely to result in the Taiwan Fire & Marine Insurance Co., Ltd. no longer capable of continuing with operation.
5. Evaluate the overall presentation, structure and contents of the financial statements, including related notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communications made by the CPAs with governance units include the planned scope and timing of the audit and significant audit findings (including significant deficiencies found with internal controls during the audit).

The CPAs have also provided the governance units with the declaration on independence that independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have communicated with the governance units all relationships and other matters considered to be likely to undermine the independence of CPAs (including related safeguard measures).

The CPAs, from the matters communicated with the governance unit, decided key matters to be included in the 2025 consolidated financial statement audit of Taiwan Fire & Marine Insurance Co., Ltd. The CPAs specifies such matters in the audit report unless it is disallowed by law to disclose to the public specific matters or under rare circumstances, the CPAs decide not to communicate specific matters in the audit report as it can be reasonably expected that negative impacts from such communication would be greater than the public interest that will be enhanced.

Deloitte & Touche

CPA: Cheng-Hsiu Yang

CPA: Wen-Ya Hsu

Financial Supervisory Commission Approval No.
Jin-Guan-Zheng-Shen-Zi No. 0980032818

Securities and Futures Commission Approval No.
Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 12, 2026

Taiwan Fire & Marine Insurance Co., Ltd.
Balance Sheet
December 31, 2025 and 2024

Unit: NT\$ Thousand

Code	ASSETS	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
11000	Cash and cash equivalents (Note 4, 6 & 26)	\$ 3,270,250	13	\$ 3,778,443	15
	Receivables (Note 4 & 7)				
12100	Notes receivable	84,652	-	93,245	-
12210	Premiums receivable	453,179	2	485,883	2
12500	Other receivables	165,878	1	161,833	1
12000	Total receivables	703,709	3	740,961	3
	INVESTMENTS				
14110	Financial assets at fair value through profit or loss (Note 4, 8 & 25)	1,996,276	8	2,218,604	9
14145	Financial assets carried at amortized cost (Note 4, 10, 11 & 25)	3,298,800	13	3,279,010	13
14150	Investment under equity method (Note 4 & 12)	302,583	1	427,862	2
14180	Other financial assets - net (Note 13)	2,757,400	11	3,566,500	14
14190	Financial assets at fair value through other comprehensive income (Note 4, 9, 11 & 25)	4,214,256	17	4,623,598	19
14200	Investment Properties (Noe 4 & 14)	2,158,263	8	2,207,602	9
14000	Total investments	14,727,578	58	16,323,176	66
	Reinsurance contract asset (Note 4, 19, 27 & 28)				
15100	Claim recoverable from reinsurers - net	63,489	-	59,490	-
15200	Due from reinsurers and ceding companies	216,984	1	174,415	1
15300	Reinsurance reserve asset - net	3,428,327	13	2,674,329	11
15000	Total reinsurance contract asset	3,708,800	14	2,908,234	12
16000	Property and Equipment (Note 4 & 15)	2,389,880	9	354,882	1
16700	Right-of-use assets (Note 4, 16 & 26)	46,885	-	41,768	-
17100	INTANGIBLE ASSETS (Note 4)	5,755	-	10,588	-
17800	DEFERRED INCOME TAX ASSETS (Note 4 & 22)	15,187	-	16,851	-
	Other assets				
18300	Refundable deposit (Note 17)	692,010	3	668,309	3
18700	Other assets - others	59,631	-	66,624	-
18000	Total other assets	751,641	3	734,933	3
1XXXX	TOTAL ASSETS	\$ 25,619,685	100	\$ 24,909,836	100
Code	LIABILITIES AND EQUITY				
	PAYABLES				
21400	Commissions payable	\$ 162,759	-	\$ 147,737	1
21500	Due to reinsurers and ceding companies	532,983	2	527,194	2
21600	Other payable	696,238	3	588,350	2
21000	Total payables	1,391,980	5	1,263,281	5
21700	Income tax liabilities of the period (Note 4 & 22)	191,403	1	86,088	-
23800	Lease liabilities (Note 4, 16 & 26)	49,060	-	44,598	-
	Insurance liabilities (Note 4, 19, 27, 28 & 29)				
24100	Unearned premium reserves	4,312,455	17	4,126,243	17
24200	Claim reserves	5,189,001	20	4,571,316	18
24400	Special reserves	2,159,726	9	2,120,413	9
24500	Premium deficiency reserves	8,839	-	7,033	-
24000	Total Insurance Liabilities	11,670,021	46	10,825,005	44
27000	Reserve for liabilities (Note 4 & 18)	40,798	-	40,229	-
28000	Deferred income tax liabilities (Note 4 & 22)	271,860	1	289,256	1
	Other liabilities				
25300	Guarantee deposits received (Note 26)	32,076	-	32,726	-
25900	Other liabilities - others	131,569	1	56,606	1
25000	Total other liabilities	163,645	1	89,332	1
2XXXX	TOTAL LIABILITIES	13,778,767	54	12,637,789	51
	Equity (Note 4 & 20)				
31100	Common Stock Capital	2,535,403	10	3,622,004	15
	Capital surplus				
32100	Issuance of common shares in excess of par	1,915	-	1,915	-
32200	Treasury stock transactions	97,047	-	97,047	-
32600	Capital surplus - others	2	-	2	-
32000	Total Capital Surplus	98,964	-	98,964	-
	Retained earnings				
33100	Legal reserve	3,281,132	13	3,019,164	12
33200	Special reserve	3,963,813	15	3,582,899	14
33300	Unappropriated earnings	1,486,015	6	1,425,398	6
33000	Total Retained Earnings	8,730,960	34	8,027,461	32
34000	Other equity	475,591	2	523,618	2
3XXXX	TOTAL EQUITY	11,840,918	46	12,272,047	49
	TOTAL LIABILITIES AND EQUITY	\$ 25,619,685	100	\$ 24,909,836	100

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wan

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Comprehensive Income
From January 1 to December, 2025 and 2024

Unit: NT\$ Thousand, but EPS is NT\$

Code		2025		2024		Change Percentage %
		Amount	%	Amount	%	
	Operating Revenues					
	Retained earned premium					
41110	Premium revenues from policy writing (Note 4, 26 & 27)	\$ 9,493,579	130	\$ 8,873,819	121	7
41120	Reinsurance premium revenues (Note 4)	<u>492,761</u>	<u>7</u>	<u>503,273</u>	<u>7</u>	(2)
41100	Premium revenues	9,986,340	137	9,377,092	128	6
51100	Less: Reinsurance premium outward (Note 4)	3,506,990	48	3,134,736	43	12
51310	Less: Net change in unearned premium reserves (Note 4, 19 & 27)	<u>39,641</u>	<u>-</u>	<u>92,983</u>	<u>1</u>	(57)
41130	Total retained earned premium	6,439,709	89	6,149,373	84	5
41300	Reinsurance commission earned (Note 27)	378,088	5	335,133	5	13
41400	Handing fee earned (Note 27)	68,138	1	65,166	1	5
	Net gains on investments					
41510	Interest income	286,297	4	266,188	3	8
41521	Gain (loss) on financial assets and liabilities at fair value through profit or loss (Note 21)	(25,010)	(1)	7,915	-	(416)
41526	Derecognition of net gain or loss on financial assets carried at amortized cost (Note 21)	(7,653)	-	-	-	-
41527	Realized gain and losses on financial assets at fair value through other comprehensive income (Note 21)	139,320	2	211,076	3	(34)
41540	Share of profit of associates and joint ventures accounted for using equity method (Note 12)	(21,422)	-	65,241	1	(133)
41550	Exchange gain (loss) - investment (Note 21)	(85,181)	(1)	99,340	1	(186)

(To be continued)

(Continued)

Code		2025		2024		Change Percentage %
		Amount	%	Amount	%	
41570	Gain (loss) on investment properties (Note 4, 21 & 26)	\$ 99,143	1	\$ 121,628	2	(18)
41585	Expected credit losses and reversals of impairment losses on investments (Note 4, 21)	322	-	8	-	3,925
41800	Other operating revenues	<u>2,835</u>	-	<u>19,207</u>	-	(85)
41000	Total operating revenues	<u>7,274,586</u>	<u>100</u>	<u>7,340,275</u>	<u>100</u>	(1)
Operating Costs						
Retained claims						
51200	Claims and payment (Note 4, 26 & 27)	3,694,593	51	3,808,496	52	(3)
41200	Less: Claims recovered from reinsurers	<u>847,416</u>	<u>12</u>	<u>837,634</u>	<u>11</u>	1
51260	Total retained claims	<u>2,847,177</u>	<u>39</u>	<u>2,970,862</u>	<u>41</u>	(4)
Net changes in insurance liabilities (Note 4, 19 & 27)						
51320	Net change in claims reserves	10,266	-	323,204	4	(97)
51340	Net change in special reserves	39,313	1	53,508	1	(27)
51350	Net change in premium deficiency reserves	<u>1,806</u>	-	<u>693</u>	-	161
51300	Total net change in insurance liability	<u>51,385</u>	<u>1</u>	<u>377,405</u>	<u>5</u>	(86)
51500	Commission expenditure (Note 26 & 27)	1,143,593	16	1,061,523	14	8
51800	Other operating cost	<u>48,321</u>	-	<u>42,714</u>	<u>1</u>	13
51000	Total operating costs	<u>4,090,476</u>	<u>56</u>	<u>4,452,504</u>	<u>61</u>	(8)
Operating Expenses (Note 4, 18, 21 & 26)						
58100	Service Expenses	1,120,813	16	1,015,046	14	10
58200	Administrative Expenses	532,653	7	489,559	6	9
58300	Employee training expenses	5,346	-	4,495	-	19
58400	Impairment loss and reversal gain on expected credit - non- investment	(<u>10,851</u>)	-	(<u>1,874</u>)	-	479
58000	Total operating expenses	<u>1,647,961</u>	<u>23</u>	<u>1,507,226</u>	<u>20</u>	9
61000	OPERATING INCOME	1,536,149	21	1,380,545	19	11

(To be continued)

(Continued)

Code		2025		2024		Change Percentage (%)
		Amount	%	Amount	%	
59000	NON-OPERATING INCOME AND EXPENSES	(\$ 2,359)	-	(\$ 1,315)	-	79
62000	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATION	1,533,790	21	1,379,230	19	11
63000	Tax expense (Note 4 & 22)	291,213	4	216,901	3	34
66000	Net Profit in the year	1,242,577	17	1,162,329	16	7
	Other comprehensive income					
	Items that will not be reclassified subsequently to profit or loss					
83110	Remeasurement of defined benefit plans	(3,993)	-	10,845	-	(137)
83180	Less: Income tax relating to items that will not be reclassified subsequently to profit or loss	(798)	-	2,169	-	(137)
83190	Equity instruments valuation profit or loss measured at fair value through other comprehensive income	121,328	2	366,033	5	(67)
	Items that may be reclassified subsequently to profit or loss					
83290	Debt instrument profit or loss measured at fair value through other comprehensive income	19,163	-	23,257	-	(18)
83000	Total other comprehensive income, net of income tax	137,296	2	397,966	5	(66)
85000	TOTAL COMPREHENSIVE INCOME IN THE YEAR	\$ 1,379,873	19	\$ 1,560,295	21	(12)
	Earnings Per Share (EPS) (Note 23)					
97500	Basic EPS	\$ 3.91		\$ 3.21		
98500	Diluted EPS	\$ 3.90		\$ 3.20		

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wang

Taiwan Fire & Marine Insurance Co., Ltd.
Statements of Changes in Equity
From January 1 to December, 2025 and 2024

Unit: NT\$ Thousand

Code		Capital	Capital surplus	Retained earnings			Other equity (Note 20)	Total Stockholders' Equity
				Legal reserve	Special reserve	Unappropriated earnings	Unrealized Gain and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	
A1	Balance at January 1, 2024	\$ 3,622,004	\$ 98,962	\$ 2,804,352	\$ 3,358,709	\$ 1,025,420	\$ 280,309	\$ 11,189,756
	Appropriation of 2023 earnings							
B1	Appropriation of Legal reserve	-	-	214,812	-	(214,812)	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(470,861)	-	(470,861)
B3	Appropriation of special reserves	-	-	-	224,190	(224,190)	-	-
D1	Net profit for the year 2024	-	-	-	-	1,162,329	-	1,162,329
D3	Other comprehensive income after tax for the year 2024	-	-	-	-	8,676	389,290	397,966
D5	Total comprehensive income for the year 2024	-	-	-	-	1,171,005	389,290	1,560,295
Q1	Disposal of equity instruments measured at fair value through other comprehensive gains and losses/Disposal of equity instruments measured at fair value through other comprehensive gains and losses by associates	-	-	-	-	145,981	(145,981)	-
C7	Changes in associates and joint ventures accounted for using equity method	-	-	-	-	(7,145)	-	(7,145)
C17	Exercise of Recourse Right	-	2	-	-	-	-	2
Z1	Balance at December 31, 2024	3,622,004	98,964	3,019,164	3,582,899	1,425,398	523,618	12,272,047
	Appropriation of 2024 earnings							
B1	Appropriation of Legal reserve	-	-	261,968	-	(261,968)	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	(724,401)	-	(724,401)
B3	Appropriation of special reserves	-	-	-	380,914	(380,914)	-	-
D1	Net profit for 2025	-	-	-	-	1,242,577	-	1,242,577
D3	Other comprehensive loss for 2025	-	-	-	-	(3,195)	140,491	137,296
D5	TOTAL COMPREHENSIVE INCOME for 2025	-	-	-	-	1,239,382	140,491	1,379,873
Q1	Disposal of equity instruments measured at fair value through other comprehensive gains and losses/Disposal of equity instruments measured at fair value through other comprehensive gains and losses by associates	-	-	-	-	188,518	(188,518)	-
E3	Cash capital reduction	(1,086,601)	-	-	-	-	-	(1,086,601)
Z1	Balance at December 31, 2025	<u>\$ 2,535,403</u>	<u>\$ 98,964</u>	<u>\$ 3,281,132</u>	<u>\$ 3,963,813</u>	<u>\$ 1,486,015</u>	<u>\$ 475,591</u>	<u>\$ 11,840,918</u>

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wang

Taiwan Fire & Marine Insurance Co., Ltd.
Statements of Cash Flows
From January 1 to December, 2025 and 2024

Unit: NT\$ Thousand

Code		2025	2024
	CASH FLOWS FROM OPERATING ACTIVITIES		
A00010	Net Income before income tax from continuing operation	\$ 1,533,790	\$ 1,379,230
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	68,528	60,461
A20200	Amortization expenses	6,961	7,604
A21000	Derecognition of net loss on financial assets carried at amortized cost	7,653	-
A21300	Dividends income	(147,572)	(252,841)
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	30,470	(1,638)
A20450	Net loss on financial assets and liabilities at fair value through other comprehensive income	2,792	35,488
A20900	Interest expense	1,399	1,528
A21200	Interest income	(286,297)	(266,188)
A21400	Net changes in insurance liabilities	91,026	470,388
A21830	Reversals of expected credit losses on investments	(322)	(8)
A21850	Reversal of impairment loss on expected credit losses of non-investments	(10,851)	(1,874)
A22300	Share of loss (gain) on associates and joint ventures recognized using equity method	21,422	(65,241)
A22500	Gain from disposal and scrapping of property and equipment	-	(132)
A22700	Gain from disposal of investment in investment properties	-	(23,796)
A23800	Impairment reversed benefits of reinsurance financial assets	(8)	-
A24100	Unrealized loss (gain) on foreign currency exchange	40,845	(75,453)
A29900	Lease Modification Gains	(66)	(1)
A50000	Changes in Operating Assets and Liabilities		
A51110	Notes receivable decrease	8,736	20,161
A51120	Premiums receivable decrease (increase)	42,748	(9,837)
A51130	Other accounts receivable (increase) decrease	(3,267)	1,390
A51140	Decrease in financial assets at fair value through profit or loss	180,944	415,460
A51141	Decrease in financial assets at fair value through other comprehensive income	528,648	1,254,314
A51145	Increase in financial assets carried at amortized cost	(41,998)	(1,080,798)
A51160	Decrease (increase) in other financial assets	809,100	(1,046,379)
A51170	Decrease (increase) in reinsurance contract asset	(44,685)	1,226
A51990	Decrease in other assets	6,993	3,220

(To be continued)

(Continued)

Code		2025	2024
A52120	Decrease in claims payable	\$ -	(\$ 90)
A52140	Increase (Decrease) in commissions payable	14,925	(24,282)
A52150	Increase in due to reinsurers and ceding companies	5,789	98,695
A52160	Increase in other payables	107,888	46,242
A52200	Decrease in employees' benefit reserve for liabilities	(3,424)	(7,160)
A52990	Increase (Decrease) in Other Liabilities	<u>74,963</u>	(<u>4,200</u>)
A33000	Cash inflow from operations	3,047,130	935,489
A33100	Interest received	287,100	236,151
A33200	Dividends received	210,868	272,896
A33500	Income tax paid	(<u>200,832</u>)	(<u>304,923</u>)
AAAA	Net cash inflow from operating activities	<u>3,344,266</u>	<u>1,139,613</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
B02400	Proceeds from capital reduction of investments accounted for using equity method	39,501	-
B02700	Payments for property and equipment	(2,027,465)	(8,093)
B02800	Proceeds from disposal of property and equipment	-	1,413
B03700	Increase in refundable deposits	(22,005)	(1,192)
B04500	Payments for intangible assets	(2,128)	(5,713)
B05400	Payments for investment properties	(1,703)	(4,553)
B05500	Disposal of investment properties	<u>-</u>	<u>23,796</u>
BBBB	Net cash inflows (outflows) generated from investing activities	(<u>2,013,800</u>)	<u>5,658</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
C03100	Decrease in guarantee deposits received	(650)	(4,222)
C04020	Repayment of the principal of the lease liabilities	(27,007)	(33,071)
C04500	Distribute cash dividends	(724,401)	(470,861)
C04700	Cash capital reduction	(1,086,601)	-
C09900	Exercise of Recourse Right	<u>-</u>	<u>2</u>
CCCC	Net cash outflow used in financing activities	(<u>1,838,659</u>)	(<u>508,152</u>)
EEEE	Increase (decrease) in cash and cash equivalents for the year	(508,193)	637,119
E00100	Balance of cash and cash equivalents at the beginning of the period	<u>3,778,443</u>	<u>3,141,324</u>
E00200	Balance of cash and cash equivalents at the end of the period	<u>\$ 3,270,250</u>	<u>\$ 3,778,443</u>

Subsequent notes are incorporated as part of this individual financial statement.

Chairman: Steve Lee

Managers: Chao-Feng Chen

Chief of accountant: Pi-Chen Wang

Taiwan Fire & Marine Insurance Co., Ltd.
Notes to Financial Statement
From January 1 to December, 2025 and 2024
(Expressed in Thousand New Taiwan Dollars unless specified otherwise)

I. Company profile

Taiwan Fire & Marine Insurance Co., Ltd. (“Company”) was established in March 1948 as a non-life insurer. The products offered by the Company include aviation insurance, fire insurance, marine insurance, casualty insurance, automobile insurance, as well as the reinsurances for the abovementioned insurances. The headquarters is located in Taipei, with 9 branches and dozens of service centers throughout Taiwan. At the establishment, the paid-up capital was 10 million Old Taiwan dollars. Through several capital increases and decreases, as of December 31, 2025, the paid-up capital is NT\$2,535,403 thousand.

The shares of the Company were approved for the public listing by Securities and Futures Commission, Ministry of Finance on June 11, 1997, and on September 30 of the year started the trading.

The financial statements are presented in NT\$, the functional currency of the Company.

II. Date and Procedure for Authorization of Financial Statements

The financial statements were approved by the Board of Directors on March 6, 2026.

III. Applicability of Newly Promulgated and Amended Standard Rules and Interpretations

- (I) The amended Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, as well as International Financial Reporting Standards (“IFRS”), International Accounting Standards (“IAS”), International Financial Reporting Interpretations Committee (“IFRIC”) and Standing Interpretations Committee (“SIC”) Interpretations (collectively “IFRS accounting standards”) approved and issued to be effective by the Financial Supervisory Commission, MOF are first time applied.

The applications of the amended Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRS accounting standards approved and issued to be effective by FSC will not cause any material changes to the accounting policies of the Company.

(II) IFRS accounting standards approved by FSC applied as of 2026

<u>Newly Issued/ Amended/ Revised Standards and Interpretations</u>	<u>The effective date promulgated by IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contract Referencing Nature-Dependent Electricity"	January 1, 2026
"IFRS Annual Improvements - Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments for 2020 and 2021)	January 1, 2023

IFRS 17 "Insurance Contracts" (including amendments for 2020 and 2021)

IFRS 17 regulates the accounting treatments for insurance contracts, and will replace IFRS 4 "Insurance Contracts." IFRS 17 applies to insurance contracts (including reinsurance contracts) issued by the Company, reinsurance contracts held, and investment contracts with discretionary participation features issued by the Company, provided that the Company also issues insurance contracts. IFRS 17 formulates a consistent measurement approach for insurance liabilities, including the general measurement model, the variable fee approach, and the premium allocation approach. The variable fee approach applies to insurance contracts with direct participation features. Additionally, a group of insurance contracts may elect to apply the premium allocation approach to measure the group if certain conditions are met.

Based on the current hypothesis, the general measurement model estimates the amount, timing, and uncertainty of future cash flows for a group of insurance contracts, and adjusts non-financial risks to reflect the compensation required for assuming the uncertainty. This model also takes into consideration the market interest rate and the impact of options and guarantees contained in insurance contracts on cash flows at the same time. Further, the general measurement model includes the contractual service margin, which represents the unearned profit that an enterprise should recognize for the future provision of services and should be recognized in profit or loss periodically during the insurance period.

IFRS 17 specifies that companies shall use a systematic and reasonable method to allocate insurance acquisition cash flows to each group of insurance contracts. The enterprise shall recognize the insurance acquisition cash flows already paid before recognizing the related group of insurance contracts as assets, and shall derecognize the insurance acquisition cash flows when those cash flows are included in the

measurement of the related group of insurance contracts. At the end of each reporting period, the enterprise shall conduct an impairment assessment on the insurance acquisition cash flows.

Further, IFRS 17 also specifies how amounts arising from insurance contracts are presented and disclosed in the balance sheet and statements of comprehensive income.

Under IFRS 4, the reserve for insurance contracts and financial instruments, whether or not they have discretionary participation features, is handled in accordance with the “Regulations Governing the Deposits of Various Types of Reserves by Insurance Enterprises” and certified by an appointed actuary approved by the Financial Supervisory Commission. Please refer to Note 4 for the summaries of major accounting policies.

The Company followed the transitional regulations under the IFRS 17 for its accounting treatment. In principle, the Company adopts the full retrospective approach for the retrospective application of IFRS 17. However, when this is not feasible in practice, the Company chooses to adopt either the modified retrospective approach or the fair value approach.

When the full retrospective approach is adopted, the Company shall identify, recognize, and measure each group of insurance contracts on January 1, 2025, as if IFRS 17 had been applied in the past. When the modified retrospective approach is used, the Company uses reasonable and supportable information to achieve results as close as possible to those of the full retrospective approach. When using the fair value approach, the Company also uses reasonable and supportable information and shall determine the contractual service margin or loss component of the liability for remaining coverage on January 1, 2025, based on the difference between the fair value of the group of insurance contracts and the fulfillment cash flows measured on that date.

Upon the retrospective application of IFRS 17 and restatement of comparative information, the retained earnings is expected to increase by NT\$674,650 thousand as of January 1, 2025.

Re-designation of financial assets

On the initial application date of IFRS 17, an enterprise that has already applied IFRS 9 may re-designate financial assets that meet the requirements of Paragraph C29 of IFRS 17. Meanwhile, an enterprise that applies IFRS 9 before the initial application of IFRS 17 may choose to apply the overlay approach to the financial assets derecognized during the comparative period for the initial application of IFRS 17, based

on individual financial assets, as if the financial assets were reclassified according to the re-designation requirements referred to in Paragraph C29 of IFRS 17 during the comparative period.

Except for the said effects, as of the issuing date of the Financial Statement, the Company has evaluated that the amendments to other standards and interpretations are not likely to have a material impact on its financial position and performance.

- (III) IFRS accounting standards issued by IASB but not yet approved and issued to be effective by FSC

Newly Issued/ Amended/ Revised Standards and Interpretations	The effective date promulgated by IASB (Note 1)
“Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”, amendments to IFRS 10 and IAS 28.	To be determined
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless otherwise expressly remarked, the aforementioned newly promulgated/Amendment/Amended Rules or Interpretation come into effect in the reporting year starting from the specified effective dates.

Note 2: On September 25, 2025, the FSC announced that Taiwan-based enterprises shall apply IFRS 18 from January 1, 2028, or may choose to adopt the IFRS 18 earlier after the FSC approves it.

IFRS 18 “Presentation and Disclosure in Financial Statements” and related consequential amendments

IFRS 18 will replace IAS 1 "Presentation of Financial Statements." The main changes in the standard include:

- The Company shall assess whether it has invested in specific types of assets and provided financing to customers for specific primary operating activities, and based on that assessment, classify the income and expense items in the income statement into operating, investing, financing, income tax, and discontinued operations categories.

- The income statement should present operating income, profit and loss before financing and tax, and subtotal and total of profit and loss.
- Provide guidance to strengthen aggregation and segmentation requirements: The Company must identify assets, liabilities, equity, income, expenses, losses and cash flows of individual transactions or generated by other events, and classify and summarize them on the basis of common characteristics, so that each line item presented in the main financial report has at least one similar characteristic. Items with any characteristics other than similar ones should be broken down in the main financial statements and notes thereto. The Company marks these items as “Other” only when a more informative mark cannot be found.
- Enhance the disclosure of performance measures defined by management: When the Company is engaged in public communications outside of financial statements and communicates the management's views on a certain aspect of the Company's overall financial performance with users of financial statements, it should disclose the information about the performance measurement defined by the management in the notes to the financial statements, including the descriptions about the measurement, calculation method, its reconciliation with the subtotal or total expressly stated in the IFRSs, and the impact of income tax and non-controlling interests on related reconciliation items.

Further, the following consequential amendments were made to IAS 7 “Statement of Cash Flows”:

- When the Company prepares cash flows from operating activities using the indirect method, the starting point for adjustment shall be the operating profit or loss.
- Interest and dividend income received by the Company shall be classified as investing activities, and interest and dividend paid should be classified as financing activities. If the Company is assessed to have specific major operating activities, it must consider the types of dividend income, interest income, and interest expenses presented in the income statement to determine the classification of dividends received, interest received and interest paid in the statement of cash flows. However, said cash flows can only be classified within a single activity in the statement of cash flows.

Except the above-mentioned effects, as of the issuing date of the Financial Statement, the Company has been evaluating any other effects to the financial

positions and performance from the amendments to various standards and interpretations, and these related effects are to be disclosed when such evaluations are completed.

IV. Summary of significant accounting policies

(I) Declaration in compliance

The financial statements are prepared according to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the IFRSs endorsed and issued into effect by FSC.

(II) Principles for preparation

The financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit liabilities at the present value of defined obligation less fair value of the plan assets.

Fair value measurement may be divided into three levels based on the observability and importance of related inputs:

1. Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (from price) or indirectly (induced from price).
3. Level 3 inputs: Unobservable inputs for the asset or liability.

(III) Classification of Current and Non-current Assets and Liabilities

In the financial reports, the assets and liabilities are classified by their natures, and sorted by the order of the relative liquidity, but not divided as current and non-current items.

(IV) Foreign Currency

The transactions made in the currencies other than the functional currency of the Company (foreign currency) when the financial statements are prepared, have been translated to the functional currency with the exchange rate on the transaction dates.

The items in foreign currencies were converted at the exchange rates closed on each and every balance sheet date. The difference in foreign exchanges incurred by the items of settlement currency items or conversion currency items was recognized as the profit and/or loss for the current of occurrence.

The foreign currencies, non-current items measured at fair values were converted at the exchange rates quoted on the date on which the fair values were determined. The

difference in foreign exchange so incurred was entered as the profit and/or loss of the current term. In the event where the change in the fair value was recognized into other comprehensive profit and/or loss, the difference of the foreign exchange so incurred was entered as other comprehensive profit and/or loss.

The non-current items measured at historical costs were converted based on the exchange rate quoted on the date of transaction and were not converted anew.

(V) Investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture.

The Company applies the Equity Method to the investments in associates.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost. The carrying amount is then increased or decreased to recognize the Company's share of the subsequent profit or loss of the associates and to include that share of the associates' other comprehensive incomes. Furthermore, the recognition of the changes of equity in the associates is made based on the percentage of shareholding.

When evaluating impairments, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. The recognized impairment losses are not to be allocated to any assets, including goodwill, as the components of carrying amount of the investments. Any restoration of the loss in impairment was recognized within the scope of subsequent increase of the recoverable amount.

For the profit and/or loss incurred by the Company with the associates in upstream, downstream and side-stream, the Company only recognized those within the scope irrelevant to the associates into the financial reports.

(VI) Property and Equipment

The property and equipment were recognized at costs. Subsequently thereafter, it measured at the amount of the costs deducted with depreciation and the loss in the accumulated impairment.

Property and equipment are accounted depreciation for each material part individually based on the straight-line method during the durable life span. The estimated useful lives, residual values, and depreciation method are reviewed by the Company at least at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When derecognizing property and equipment, the difference between the net consideration of the disposal and the carrying amount of the asset is recognized in profit and loss.

(VII) Investment Properties

Investment property is property held for earning rents or capital appreciation, or both (including the right-of-use assets which satisfy the definition of investment property). Investment properties also include real estate whose future use are not yet determined currently.

The self-owned investment-property was measured at the initial costs (including transaction costs). Subsequently thereafter, it will be measured at the amount of the costs deducted with the accumulated depreciation and the loss of the accumulated impairment.

The investment property acquired from lease are originally measured at the costs (including the original measured amount of lease liability, the lease payment paid before the lease starts, the original direct cost, and estimate cost for recovery of underlying assets minus the received lease incentives); subsequently, they are measured at the costs deducting the accumulated depreciation and the loss of impairment, and the re-measurement of the lease liability is adjusted.

All investment properties are accounted for depreciation based on the straight-line method.

The investment property is re-stated as property and equipment based on the face value on the date when it is provided for private use.

The property and equipment and right-of-use assets are re-stated as investment property based on the face value on the date when the private use thereof is ended.

When derecognizing investment-properties, the difference between the net consideration of the disposal and the carrying amount of the asset is recognized in profit and loss.

(VIII) INTANGIBLE ASSETS

1. Individually acquired

The intangible assets with limited useful life individually acquired were measured at costs. Subsequently, they were measured at cost deducted with the amount of accumulated amortization and the loss of the accumulated impairment. Intangible assets are accounted for amortization based on the straight-line method during the durable life span. The estimated useful lives, residual values, and

amortization method are reviewed by the Company at least at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The intangible assets with uncertain durable life span is carried as the cost minus accumulated impairment losses.

2. Derecognition

When derecognizing intangible assets, the difference between the net consideration of the disposal and the carrying amount of the asset is recognized in profit and loss of the current.

(IX) Impairment on property and equipment, right-of-use assets, investment properties and intangible assets (excluding goodwill).

The Company assessed on each and every balance sheet date whether or not there had been any signs indicating potential impairment on property and equipment, right-of-use assets, investment properties and intangible assets (excluding goodwill). Where any sign of impairment was found existent, the Company estimated the recoverable amount of such assets. In the event that the recoverable amount of individual assets could not be estimated, the Company estimated the recoverable amount of the units that yielded cash. If a shared asset may be allocated to cash generating unit on the reasonable and consistent basis, that shall be allocated to individual cash generating unit; if not, it shall be allocated to the smallest group of cash generating unit on the reasonable and consistent basis.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

Where the loss of impairment was recovered afterward, the carrying amount of the units that yielded cash was adjusted upward to the post-amendment recoverable amount. The carrying amount after increase, nevertheless, should not exceed such assets or the carrying amount resolved by the units that yielded cash had it not recognized the loss of impairment in the preceding fiscal year (deducting the amortization or depreciation). The recovery of the loss in impairment was recognized in profit and/or loss.

(X) Financial Instruments

The financial assets and financial liabilities were recognized onto the Balance Sheet when the Company became a party of the contract of the financial instruments.

Upon initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities were measured for fair values not through profit and/or loss, the Merging Company measured based on the fair value added with the transaction costs, which could be directly attributed to the acquisition or issuance of the financial assets or financial liabilities. The transaction costs which could be directly attributed to the acquisition or issuance of the financial assets or financial liabilities, which were measured at the fair value, were imaginably recognized as the profit and/or loss.

1. Financial assets

The transaction customs of the financial assets were recognized or excluded on the transaction day accounting basis.

(1) Categories of measuring

The financial assets held by the Company include financial assets at fair value through profit or loss, financial assets measured at amortized cost, bond instruments measured at fair value through other comprehensive income, and equity instrument investment at fair value through other comprehensive income.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are the financial assets measured compulsorily at fair value through profit or loss. The financial assets measured compulsorily at fair value through profit or loss include the equity instruments not assigned by the Company to be measured at fair value through other comprehensive income, and the bond instruments not eligible to be categorized at amortized cost, or at fair value through other comprehensive income.

The financial asset at fair value through profit or loss is measured at fair value, and the dividends thereof and profit or loss arising from re-measurement is recognized in the income from financial assets and liabilities at fair through profit or loss. The interest derived therefrom is recognized in the interest income. For the determination of fair value, please refer to Note 25.

B. Financial assets carried at amortized cost

Financial assets invested by the Company that meet the following two conditions at the same time are categorized into the financial assets measured at amortized cost:

- a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flow; and
- b. The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents and trade receivables at amortized cost) are measured at amortized cost, which equals to the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the following two situations, interest income is calculated based on the effective interest rate multiplying by the total carrying amount of a financial asset:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated based on the credit-adjusted effective interest rate multiplying by the amortized cost of the financial asset.
- b. For financial assets that are not acquired or originated credit-impaired but subsequently become credit impaired, interest income shall be calculated based on the effective interest rate multiplying by the amortized cost of the financial asset from the reporting period following the credit impairment.

Credit losses on financial assets refer to some significant financial difficulty of the issuer or borrower, a breach of contract, the borrower's bankruptcy or financial reorganization, or the disappearance of an active market for the financial asset because of financial difficulties.

Cash equivalents are the time deposits and commercial papers may be converted to fixed amount of cash anytime within three month upon reception, with high liquidity; its purpose is to satisfy the short-term cash commitment.

- C. Bond instruments measured at fair value through other comprehensive income

Shall the bond instruments investments meet the following two conditions on the same time, they are classified as financial assets at fair value through other comprehensive income:

- a. Being held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and sell financial assets; and
- b. The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Bond instruments investment measured at fair value through other comprehensive income is measured at fair value. In the movement of carrying amount, the interest income calculated using the effective interest rate method, foreign currency gains or losses and impairment gains or losses are recognized directly in profit or loss. The difference between cumulative fair value gains or losses and the cumulative amounts recognized in profit or loss is recognized in OCI until derecognition, when the amounts in OCI are reclassified to profit or loss.

D. Equity instruments at fair value through other comprehensive income

The Company may opt to designate an equity instrument at FVTOCI is available at initial recognition and is irrevocable, for the equity instrument investments not held for trading nor recognized by merge and acquisition, neither with considerations.

Equity instruments at fair value through other comprehensive income are measured at fair value, and the subsequent movements of the fair value are carried in other comprehensive income, and accumulated in other equity. When disposing investments, the accumulated profit/loss is transferred to the retained earnings directly without reclassified as profit/loss.

The dividends from the equity instruments at fair value through other comprehensive income are recognized in profit/loss when the right of receiving of the Company is confirmed, unless such dividends obviously represents the recovery of part of the investment.

(2) Impairment of financial assets

At each date of balance sheet, the Company evaluate the financial assets at amortized cost (receivables included), and the impairment loss of bond instruments measured at fair value through other comprehensive income based on the expected credit loss.

The receivables are recognized allowance loss as the higher expected credit losses between from the “Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”, or of the lifetime. For other financial assets, the credit risk is evaluated if there is any significant increase after the initial recognition. If not, the allowance loss is recognized based on the expected credit losses of 12 months; if there any significant increases, the allowance loss is recognized based on the expected credit losses of life time.

Expected credit losses as the weighted average of credit losses with the weightings being the respective risks of a default occurring. 12-month expected credit losses are expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the life of the financial instruments.

The impairment loss for all financial assets reduce the carrying amount through the allowance account; however, the allowance loss of bond instruments measured at fair value through other comprehensive income is recognized in other comprehensive income without reducing the carrying amount.

(3) Derecognition of financial assets

The Company would exclude financial assets only in the event where the interests on a contract for financial assets based cash flow ceased to be effective or where it had transferred financial assets and almost all risks and returns of all ownership over the financial assets had been transferred to another enterprise.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss. On the full derecognition of the investment of

debt instrument at fair value through other comprehensive income, the difference between the investment's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is stated as income. On the full derecognition of the investment of equity instruments at fair value through other comprehensive income, the accumulated income is transferred to the retained earnings directly, but not reclassified as income.

2. Equity instrument

The equity instruments issued by the Company are categorized as equity based on the nature of the contract agreement and the definition of the equity instrument.

The equity instruments issued by the Company is recognized based on the acquisition price less direct issuing cost.

3. Financial liabilities

(1) Subsequent Measuring

All financial liabilities are at the amortized cost based on the effective interest method.

(2) Derecognition of financial liabilities

When a financial liability is derecognized, the price difference between its carrying amount and total consideration paid (including any transferred non-cash assets or obligation) shall be stated as income.

(XI) Lending Negotiable Securities

The Company lends negotiable securities through TWSE. The formula of income from lending securities of auction transactions, is to multiply the daily closed price of the underlying negotiable securities one by one and day by the quantity of lending, and then multiply by the fare of completed transaction. The income from security lending is recognized every month, and shall be received by the brokers when the securities are returned.

(XII) Reinsurance contract asset

To limit the amount of loss that may be resulted from some exposures, the reinsurance is conducted according to the business needs and the related insurance laws and regulations. For the ceding reinsurance, the Company is not to reject the obligations to the insured by the excuse that the reinsurer fails to fulfill its obligations.

For the ceding reinsurance business, the reinsurance premium outward is recognized based on the ceding reinsurance contracts. The consideration for the end

time of the financial statement shall be consistent with the premium income. When settling, the reinsurance premium outward shall be estimated in a reasonable and systematic manner. The related income (e.g. the commission incomes of reinsurance) are recognized in the same period, and the related reinsurance profit/loss is not deferred.

The reinsurance reserve assets include: ceding unearned premium reserves, ceding claims reserves, ceding liability reserves, ceding premium deficiency reserves, and ceding liability adequacy reserves, and are based on the “Regulations Governing Various Reserves of Insurance Enterprises”, the reinsurance contract, and the right to the reinsurers of the ceding company.

The rights of the Company to the reinsurers are reinsurance contract assets (including reinsurance contract assets, claim recoverable from reinsurers, and net due from reinsurers and ceding companies); these rights shall be evaluated periodically whether impairment occurs or to be unrecoverable. Where objective evidences showing that events of such rights occurring after the initial recognition, may cause the Company unable to recover all the receivable amount under the contract terms, and such events has reliably measured effects to the amount to be recovered from the reinsurers, the Company recognizes impairment loss for the shortage of recoverable amount to the book value of the said rights.

(XIII) The residuals taken over and the rights of subrogation

The residuals taken over by laws due to claim procedure in the direct insurance are recognized based on the evaluation to their fair values. For the right of subrogation to the insured subject obtained by laws, it is recognized when the pursuit of recovery is cleared (the inflow of future economic benefits is very probable), and the amount can be reliably measured.

(XIV) Insurance liabilities

Various reserves are provided based on the “Regulations on Provision of Various Reserves for Insurance Enterprises,” “Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance,” “Regulations Governing Various Reserves for Nuclear Energy Insurance Operated by Non-Life Insurance Enterprises,” “Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance,” “Notes to Enhancing the Reserves of Members of Residential Earthquake Insurance Co-Insurance Organization” and “Regulations Governing Various Reserves for Commercial Earthquake Insurance and Typhoon and Flood Insurance Operated by Non-Life Insurance Enterprises,” as well as “Directions for Strengthening

Catastrophe Insurance Reserve by Non-Life Insurance Enterprises,” and such reserves shall be certified by the appointed actuaries approved by FSC. The basic description of the provision basis for each liability reserves are as follows:

1. Unearned premium reserves

To the unearned valid contracts or the insurance risks not yet eliminated, the unearned premium reserves shall be calculated based on the unearned risks and provided for each insurance.

2. Claim reserves

Based on the past experience and fees by insurance categories, the claim reserves shall be calculated in the manners consistent with the actuarial principles, and the portions that are reported but not paid and unreported shall be provided. The claims reported but not yet paid shall be estimated based on actual information case by case and provided by insurance categories

3. Special reserves

Based on Article 8, the “Regulations on Provision of Various Reserves for Insurance Enterprises”, the provided reserves for the self-retain businesses shall include the following:

- (1) Special reserves for material accidents.
- (2) Special reserves for hazard changes.
- (3) Special reserves for other special needs.

Except otherwise regulated, the special reserves that had been provided before January 1, 2011 are still recognized as liability reserves. From January 1, 2011, the new provisions of each year shall be accounted to the special reserves under the shareholders’ equity after deducting income taxes based on IAS 12. The time of accounting is the end of the year. From January 1, 2011, the off-set or recovered amount by laws may be off-set or recovered from the special reserves under the liability reserves. Where the balance of such liability reserves are insufficient to be off-set or recovered, the shortage may be offset or recovered from the special reserves under the shareholders’ equity as the remaining balance after income tax specified in IAS 12.

According to the “Directions for Strengthening Catastrophe Insurance Reserve by Non-Life Insurance Enterprises” issued via the letter under Jin-Guan-Bao-Cai-Zi No. 11204940091 on November 13, 2023, the Company has not yet complemented the reserves for material accidents for commercial earthquake insurance and

typhoon and flood insurance and the special reserves for hazard changes to the full water level with the special reserves accounted under the liabilities, and thus the reserves are not to be transferred to the special reserves. The application of these notes does not materially effects the profit and loss, liability, and equity of shareholders of the Company.

(1) Special reserves for material accidents

Provided by the ratio of special reserves for material accidents determined by the competent authorities for each insurance category. For the material disasters issued by the Government, when one single accident occurs, the sum of the accumulated retained claims for each insurance category is NT\$30 million or more, and the total claim payable of each insurance category of the non-life insurance industry as a whole is NT\$2 billion or more, the special reserves for material accidents may be used for offset.

The special reserves for commercial earthquake insurance and typhoon and flood insurance provided for more than 30 years may be recovered. The special reserves for other accidents at each insurance category provided for more than 15 years, a recovery mechanism may be assessed and prepared by the certified actuaries, and submitted to the competent authorities for reference and then further implemented.

(2) Special reserves for hazard changes

When the amount of the actual claims of each insurance minus the remaining balance of the offset special reserves for material accidents is lower than the expected claims, for commercial earthquake insurance and typhoon and flood insurance, 75% of the difference shall be provided for the special reserves for hazard changes, for other insurance, 15% of the difference shall be provided for the special reserves for hazard changes.

When the amount of the actual claims of each insurance minus the remaining balance of the offset special reserves for material accidents is higher than the expected claims, the excess may be offset against the provided special reserves for hazard changes. Shall the special reserves for hazard changes be insufficient for offsetting, it may be offset with the special reserves for hazard changes of other insurance categories; the category of insurance and the amount for offset shall follow the notes established by the

competent authorities, and submitted to the competent authorities for reference.

When the special reserves for hazard changes of commercial earthquake insurance accumulates to more than 18 times of the retained earned premium of the year, the special reserves for hazard changes of typhoon and flood insurance accumulates to more than 8 times of the retained earned premium of the year, the special reserves for hazard changes of personal accident insurance and health insurance accumulates to more than 30% of the retained earned premium of the year, and the special reserves for hazard changes of other insurance accumulates to more than 60% of the retained earned premium of the year, the excess shall be recovered.

(3) Special reserves for other special needs

The special reserves for compulsory automobile liability insurance for private and commercial vehicles, compulsory motorcycle liability insurance, and compulsory micro electric two-wheeler liability insurance are provided in accordance with the Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance.

The special reserves for nuclear energy insurance are based on the “Regulations Governing Various Reserves for Nuclear Energy Insurance Operated by Non-Life Insurance Enterprises”.

The special reserves for residential earthquake insurance are based on the “Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance” and the “Principles of Accounting Treatment for Residential Earthquake Insurance Provided by Insurance Enterprises.”

According to the “Directions for Strengthening Catastrophe Insurance Reserve by Non-Life Insurance Enterprises,” from January 1, 2013, the special reserves for material accidents and the special reserves for hazard changes of the insurance categories other than the compulsory automobile liability insurance, nuclear energy insurance, Residential Earthquake Insurance, commercial earthquake insurance, and typhoon and flood insurance, and accounted under liability before December 31, 2012, shall be firstly complement the special reserves for material accidents and the special reserves for hazard changes of the commercial earthquake insurance and typhoon and flood insurance to the full water level, and the reserves are

accounted under liability. For the special reserves for material accidents and the special reserves for hazard changes of other insurance categories, the excessive balance over the full water level shall be accounted to the special reserves under the shareholders' equity after deducting income taxes based on IAS 12.

4. Premium deficiency reserves

Where the possible future claims and expenses of the unearned valid contracts or the insurance risks has exceed the provided the unearned premium reserves and the expected future premium incomes, the difference shall be provided for the premium deficiency reserves.

5. Liability adequacy reserves

Based on the outcomes of liability adequacy test specified in IFRS 4 "Insurance Contract", if there is any deficiency in the outcomes, the amount of such deficiency shall be provided as the liabilities adequacy reserves.

6. Unqualified reinsurance reserves

The unqualified reinsurance under the "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" on the reinsurance ceded date or the balance sheet date, shall be provided the unqualified reinsurance reserves, and disclosed in notes of the financial statements.

(XV) Reserve for liabilities

The amount recognized as reserve for liabilities is the best estimate for the repayment obligations on the balance sheet date by considering the risks and uncertainties of such obligations. The reserves for liabilities are measured at the discounted cash flow estimate of the repayment obligations.

When a part or all of the expenditure required for repaying the reserve of liabilities are expected to be reimbursed from the other party, and the reimbursement is almost secured while the amount can be reliably measured, the reimbursement is recognized as asset.

(XVI) Lease

The Company evaluates if a contract is, or includes a lease on the date when the contract is established.

1. If the Company is the lessor

In an event all risks and remuneration of the ownership of the assets based on the lease terms and conditions were transferred to the lessees in full, such assets were classified as financing leasehold. All other categories of lease were classified as operational lease.

When the Company subleases the right-of-use assets, it judges the classification of sublease based on the right-of-use assets (not the underlying assets).

The lease payment minus lease incentives in the operating leases is recognized as profit within the duration of the relevant lease on the straight-line basis. This is because the initial direct cost arising from operational leases is increased to the carrying amount of the underlying assets, and recognized as expense on the straight-line basis over the lease period. According to the lease negotiation with the lessee, the new lease shall apply as of the effective date of the variation of lease.

The variable rents not depending on any index or fares in a lease agreement are recognized as income of the current when it occurs.

When a lease includes both land and buildings elements, the Company assess the classification of each element as a finance lease or an operating lease separately based on if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. The lease payments shall be allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold rights in the land element and buildings element of the lease on the date when the contract is established. If the lease payments can be allocated reliably between these two elements, each element is treated based on the applicable classes of lease. If the lease payments cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case, the entire lease is classified as an operating lease.

2. If the Company is the lessee

The lease payments applicable to the recognized waived low-valued underlying asset lease and the short-term lease are recognized as expenses on the straight-line basis over the lease period. For all other leases, the right-of-use assets and lease liabilities are recognized from the starting date of leases.

The right-of-use assets are originally measured at the costs (including the original measured amount of lease liability, the lease payment paid before the lease starts, and minus the received lease incentives); subsequently, they are measured at the costs deducting the accumulated depreciation and the loss of impairment, and the re-measurement of the lease liability is adjusted. Unless being qualified for the defined investment oriented property, the right-of-use assets are individually expressed in the balance sheets. Notwithstanding, for recognition and measurement of the right-of-use assets defined as investment property, please refer to (7) investment property accounting policies.

The right-of-use assets on the straight-line basis provide depreciation from the starting date of lease, up to the durable life expires or the lease period expires, the earlier prevails.

The lease liabilities were measured based on the present value of the lease payment (including fixed payment and indexes or fares determining the lease payments). If the implied interest rate of a lease is easy to be confirmed, the rate is applied to discount the lease payment. If the rate is not easy to be confirmed, the lessee incremental borrowing rate of interest will be applied.

Subsequently, the lease liabilities are measured at the amortized cost under the effective interest method, and the interest expense are allocated during the lease periods. If there is any change in the lease period or the indexes or fares determining the lease payments, the expected amount of payment under the remaining value guarantee, the evaluation of the call option of the underlying assets, or the indexes or fares determining the lease payments will result in changes of future lease payment, the Company remeasures the lease liabilities, and relatively adjusts the right-of-use assets; provided the carrying amount of the right-of-use asset has decreased to zero, the remaining remeasured amount is recognized in the income/loss. For the variation of leases which is not treated individually, the remeasurement of lease liabilities resulting from decrease in the scope of lease indicates reduction in the right-of-use assets, and recognizes the income/loss from termination of the lease, in whole or in part. The remeasurement of lease liabilities resulting from other variations indicates adjustment of the right-of-use assets. The lease liabilities are individually expressed in the balance sheets.

The variable rents not depending on any index or fees in a lease agreement are recognized as expenses of the current when it occurs.

(XVII) Employee Benefits

Post-employment benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur, accounted to the retained earnings, and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (excess) in the Company's defined benefit plan. Net defined benefit asset shall not exceed the present value of the provision returned from the plan or the reducible future provision.

(XVIII) Income tax

The term "income tax expenses" as set forth herein denotes total of the income tax payable in the current term and the deferred income tax.

1. Income tax for the current

The income tax levied on the undistributed surplus earnings based the Income Tax Act, is recognized in the year when resolved by the shareholders' meeting.

The adjustment of the payable income tax of the previous year is included in the current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amounts of the assets and liabilities on the accounts, and the tax basis for calculating the taxes.

The deferred income tax liabilities would be generally recognized for all taxable provisional difference. The deferred income tax assets were recognized at the moment upon occurrence of income tax credit of the potential taxable income deducted with provisional difference.

The taxable temporary difference related to the investments in associates is to recognize the deferred income tax liabilities; however, if the Company may control

the timing of reversing the temporary difference, and such temporary difference may likely not be reversed in the foreseeable future, such temporary difference is excluded. The deductible temporary difference related to such investment is recognized as deferred income tax assets to the extent that it is probable that taxable profits will be available against which temporary differences in the deductibles can be utilized.

The book amount of the deferred income tax assets was reviewed anew on each and every balance sheet date. Aiming at such event where there would be very likely not adequate taxable income to recover the assets either in whole or in part, the Company adjusted downward the book amount. Where those were not initially recognized as deferred income tax assets, the Merging Company, as well, reviewed anew on each and every balance sheet date. It, in turn, would adjust upward the book amount in the future while there would be likely to yield taxable income to recover assets either in whole or in part.

The deferred income tax assets and liabilities were measured at the tax rates of that current. The said tax rate would be on the grounds of the tax rates and taxation laws, which had been enacted or had been substantially enacted as of the balance sheet date. The deferred income tax liabilities and assets were measured to reflect the Company for the taxation consequences of taxation for the book amounts of the assets and liabilities anticipated to be recovered or reimbursed as of the balance sheet date.

3. Current and Deferred income tax

The current and deferred income tax was recognized in the profit and/or loss. The current and deferred income tax relevant to the items, which were recognized in other comprehensive income or directly counted into the items of equity, was recognition into other comprehensive income or directly counted into equity respectively.

(XIX) Revenue Recognition

Except the “revenue from insurance operations”, the revenue is recognized under IFRS 15 "Revenue from Contracts with Customers". Revenue is measured at the fair value of the received or receivable considerations.

Dividend revenues and Interest incomes

The dividend revenue yielded in investment was recognized at the moment where the rights for shareholders to receive the dividends, but in the very premise that the

transaction related economic gains would be very likely to be flown into the Company and the amount of revenues could be measured in a trustworthy manner.

The Interest income of financial assets was recognized at the moment while the economic gains would be very likely to be flown into the Company and the amount of revenues could be measured in a trustworthy manner. Interest income shall be recognized on an accrual basis subject to the outstanding principal and applicable interest rate.

(XX) Insurance Business Income and Acquisition Cost

The premium income from the direct insurance is recognized based on all of the current policy-written insurance and policies with confirmed modification. The income of reinsurance inward premium of the reinsurance inward is accounted at the date of statement arrival in daily course, and the unaccounted reinsurance premium incomes are estimated with a reasonable and systematic method. The related acquisition cost (e.g. commission expenditure, agency expenses, fee expenditure and the reinsurance commission expenditure) are recognized at the same period without being deferred.

The unearned premium reserves calculates the unearned premiums based on the unearned risks and provided for each insurance for the unearned valid contracts or the insurance risks not yet eliminated.

The unearned premium reserves for the compulsory automobile insurance are provided based on the “Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance.”

The unearned premium reserves for the residential earthquake insurance are provided based on the “Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance.”

The unearned premium reserves for nuclear energy insurance are provided based on the “Regulations Governing Various Reserves for Nuclear Energy Insurance Operated by Non-Life Insurance Enterprises”.

The approach to provide the unearned reserves, unless required by laws otherwise, shall be determined by the appointed actuaries (not to be changed without the approval from the competent authorities). The amount of unearned premium reserves shall be audit and certified by the appointed actuaries.

The taxes related to the insurance business revenues are recognized accrual basis of accounting according to the Value-Added Tax and Non-Value-Added Tax Act and the Stamp Tax Act.

(XXI) Claim Costs of Insurance Business

The insurance claims of the direct insurance are recognized at the paid claims (claim expenses included) of the current occurred and with report accepted. Where the claim department has confirmed the amount of claims but the accounting and finance department has not proceeded to pay the claims, and the amount of claim is not yet confirmed, are estimated with the actual information case by case based on the insurance type, and recognized as the net change to the claim reserves reported but not paid.

The reinsurance claims of the reinsurance inward are accounted at the date of statement arrival in daily course, and the unaccounted reinsurance claims are estimated with a reasonable and systematic method to be recognized as the net change in claims reserves.

The unreported claims for the direct insurance and reinsurance inward are calculated based on the past experience and fees by insurance categories, the claim reserves shall be calculated in the manners consistent with the actuarial principles, to be recognized the net change in claims reserves.

For the claims of the reinsurance case that shall be refundable from the reinsurers, the paid claims (claim expenses included) are recognized as the refundable claim payable; the reported but not paid claims (claim expenses included) are recognized as net change in claims reserves.

The provision of claim reserves does not apply discount.

The claim reserves for the compulsory automobile insurance are provided based on the “Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance.”

The claim reserves for the residential earthquake insurance are provided based on the “Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance.”

The claim reserves for nuclear energy insurance are provided based on the “Regulations Governing Various Reserves for Nuclear Energy Insurance Operated by Non-Life Insurance Enterprises.”

(XXII) Adequacy Test of Liabilities

By applying IFRS 4 “Insurance Contract”, the contract required for adequacy test shall test the adequacy for its recognized insurance liabilities with the current information at each balance sheet date based on the actuarial practice principles issued

by the Actuarial Institute of the Republic of China. Shall there be any deficiency in the outcome, the deficit amount shall be provided for the liability adequacy reserves.

(XXIII) Co-Insurance Organization, Co-Insurance, and the Agreement of Guarantee Fund

1. Contract of co-insurance for the compulsory automobile liability insurance

The Company has entered the “Contract of co-insurance for the compulsory automobile liability insurance” with all member companies approved by the competent authorities to operate compulsory automobile liability insurance business, to agree the compulsory automobile liability insurance covered shall be included in the co-insurance, the violation is subjected to fines, and the co-insurance panel may sent auditors to audit. The undertaking of the co-insurance is calculated on the basis of pure premiums and allocated based on the agreed co-insurance percentage. Shall there be several (2 or more) co-insurers involve the claims for the same car accident, the co-insurers shall proceed based on the regulations, and then share the liabilities based on the responsibilities of each party by case. Unless being liquidated or ceasing the operation, any member company joining the co-insurance must not withdraw on its own will. At the time ceasing the automobile liability insurance, it is deemed a withdrawal from the co-insurance, the unearned liability expires naturally.

2. Coinsurance Contract for Subcontracting Residential Earthquake Insurance

The Company has entered the “Coinsurance Contract for Subcontracting Residential Earthquake Insurance” with all member companies approved by the competent authorities to operate residential fire insurance business, after the application to join Taiwan Residential Earthquake Insurance Fund (“Residential Earthquake Insurance Fund”) to agree the residential earthquake insurance covered shall be included in the co-insurance, and the co-insurance panel may sent auditors to audit. The undertaking of the co-insurance is calculated on the basis of pure premiums, and the individual member companies assumes the co-insurance liabilities based on its share, without joint liabilities. The member company may notify the Residential Earthquake Insurance Fund three months prior to the next year that it will withdraw from the coinsurance from the next year. Its accepted share is accepted till the end of the year, and the unfinished liabilities from such accepted share is transferred to that member at the time. Shall any member company become a ceased company due to suspension for reconstruction, dissolution, or merge, it shall immediately notify the Residential Earthquake

Insurance Fund to withdraw from the coinsurance. The remaining accepted share for that year, shall be transferred to be accepted by other members of the coinsurance from the date of suspension for reconstruction and dissolution announced by the competent authorities. The transfer method is determined by the meeting of members. For the withdrawal due to merge, the remaining accepted share for that year shall be succeeded by the surviving company.

V. Major Sources of Major Accounting Judgments, Estimate and Hypotheses

Where the Company adopted accounting policies, where the relevant information was found hardly available from other sources, the management must come to relevant judgments, estimates and hypotheses based on historical experiences and other relevant factors. The estimation might be different from the actual result.

The management would continually review the estimates and fundamental hypotheses. In the event that the estimated amendment would only affect the current term, it would be recognized in the term of amendment. In the event that the amendment of the accounting estimates would simultaneously affect both the current and future terms, it would be recognized in the term of the amendment and the future term.

Claim liabilities arising from insurance contracts

For the estimation of the final claim liability to insurance contract, the claim reserves are calculated based on the past claim experience and fee by insurance type in the manner consistent to the actuarial principles. On the balance sheet date, the pending claim reserves can afford to cover all of the claim losses and expenses for the incidents incurred on the same day, provided that the reserves are provided based estimates. Therefore, the final liabilities might be more or less than the estimates.

VI. Cash and cash equivalents

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Cash on hand and working capital	\$ 29,303	\$ 32,165
Bank's notes and current deposit	2,939,800	3,082,750
Cash equivalents		
Commercial paper	249,494	598,470
Time deposits in banks due within 3 months in the date of initial maturity	160,811	152,211
Less: Deductible of refundable deposits (Note 17)	(109,158)	(87,153)
	<u>\$ 3,270,250</u>	<u>\$ 3,778,443</u>

The interest rate ranges for bank time deposits and commercial papers as of the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits in banks due within 3 months in the date of initial maturity	1.23%~1.29%	1.23%~1.29%
Commercial paper	1.36%~1.37%	1.36%~1.37%

VII. Receivables

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Notes receivable	\$ 85,507	\$ 94,187
Notes receivable - Non-accrual loan	-	56
Less: allowance loss	(855)	(998)
	<u>\$ 84,652</u>	<u>\$ 93,245</u>
Premiums receivable	\$ 412,403	\$ 452,440
Premiums receivable - Non-accrual loan	77,954	78,662
Less: allowance loss	(37,178)	(45,219)
	<u>\$ 453,179</u>	<u>\$ 485,883</u>
Interest receivable	\$ 150,457	\$ 151,260
Stock dividends receivable	1,060	-
Other receivable	14,345	10,940
Other receivable - Non-accrual loan	188	326
Less: allowance loss	(172)	(693)
Other receivables	<u>\$ 165,878</u>	<u>\$ 161,833</u>

(I) Receivables

To reduce the credit risks, the management of the Company has assigned the premium section to track the overdue payment, to ensure the proper actions have been taken for the recovery of overdue receivables. Besides, on the balance sheet dates, the Company review the recoverable amount of the receivables again one by one, to ensure the unrecoverable receivables are provided for the proper allowance loss. Therefore, the management of the Company believes the credit risks of the Company is significantly reduced.

The Company recognizes the allowance loss for receivables as the higher expected credit losses between from of the “Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” and simplified method of IFRS 9, or of the lifetime. The lifetime expected credit losses are

calculated using the reserve matrix, by considering the past default records and the current financial position of clients, industrial economic situations, as well as the GDP forecast and industrial outlooks. As the credit loss history of the Company shows that there is no significant difference among the loss patterns of different client groups, the reserve matrix does not further divide the client groups, but only establish the expected credit losses based on the aging of receivables.

Where any evidence shows that the counterparties of transactions have severe financial difficulties, and the Company cannot reasonably expect the recoverable amount, e.g. the counterparty is being liquidated, the Company writes off the related receivables upon the resolution passed by the Board of Directors. However the pursuit of recovery will be continued, and the amount recovered from such pursuit will be recognized in profit/loss.

The Company recognizes the allowance loss for receivables as the higher expected credit losses between from of the “Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans”, or from the reserve matrix. The movement for the allowance loss for the receivables are as follows:

December 31, 2025

	12-month expected credit loss I	Lifetime expected credit loss II	Lifetime expected credit loss III	Impairment provided based in IFRS 9	Impairment based on the “Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performi ng/Non-accrual Loans”	Total
Balance - beginning	\$ 1,415	\$ 6,861	\$ 21,509	\$ 29,785	\$ 17,125	\$ 46,910
Add: Provision (reversal) of the period	1,446	177	(1,681)	(58)	(8,647)	(8,705)
Balance - ending	\$ 2,861	\$ 7,038	\$ 19,828	\$ 29,727	\$ 8,478	\$ 38,205

December 31, 2024

	12-month expected credit loss I	Lifetime expected credit loss II	Lifetime expected credit loss III	Impairment provided based in IFRS 9	Impairment based on the “Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performi ng/Non-accrui ng Loans”	Total
Balance - beginning	\$ 3,076	\$ 8,229	\$ 20,069	\$ 31,374	\$ 4,845	\$ 36,219
Add: Provision (reversal) in the period	(1,661)	(1,368)	1,440	(1,589)	12,280	10,691
Balance - ending	\$ 1,415	\$ 6,861	\$ 21,509	\$ 29,785	\$ 17,125	\$ 46,910

The allowance for losses decreased by NT\$8,705 thousand as of December 31, 2025, and increased by NT\$10,691 thousand as of December 31, 2024, primarily due to a decrease of NT\$9,446 thousand in the allowance for losses on receivables under collection as of December 31, 2025, and an increase of NT\$10,524 thousand in the allowance for losses on receivables under collection as of December 31, 2024.

(II) Non-accrual loan and allowance for loss

For the notes receivable, premium receivable, and other receivables, allowances for doubtful accounts have been provided as NT\$0 thousand, NT\$31,719 thousand, and NT\$49 thousand, respectively, as of December 31, 2025.

For the notes receivable, premium receivable, and non-accrual loans in other receivables, the allowances have been provided as NT\$56 thousand, NT\$40,861 thousand, and NT\$297 thousand, respectively, as of December 31, 2024.

(III) The ageing analysis for the receivables

	December 31, 2025	December 31, 2024
0–30 days	\$ 490,769	\$ 601,233
31–90 days	172,489	107,623
91–180 days	43,614	25,840
181–365 days	15,215	31,665
More than 365 days	19,827	21,510
Total	<u>\$ 741,914</u>	<u>\$ 787,871</u>

The aging analysis is conducted based on the accounted dates.

VIII. Financial instruments measured at fair values through profit and/or loss

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Compulsory measurement at fair value through profit and loss		
— TWSE/GTSM listed shares	\$ 64,544	\$ 41,986
— Unlisted domestic shares	167,139	157,912
— Funds and Beneficiary certificates	164,484	358,132
— Domestic financial bonds	907,476	959,816
— Domestic corporate bonds	500,100	497,714
— Overseas financial bonds	192,533	203,044
	<u>\$ 1,996,276</u>	<u>\$ 2,218,604</u>

IX. Financial assets at fair value through other comprehensive income

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Equity instruments at fair value through other comprehensive income	\$ 3,586,205	\$ 3,831,359
Bond instruments measured at fair value through other comprehensive income	1,195,903	1,358,395
Deductible of refundable deposits	(<u>567,852</u>)	(<u>566,156</u>)
	<u>\$ 4,214,256</u>	<u>\$ 4,623,598</u>

(I) Investments in equity instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Domestic investment</u>		
TSEC/GTSM listed shares (Note)	\$ 3,382,925	\$ 3,566,659
Unlisted Shares	203,280	264,700
	<u>\$ 3,586,205</u>	<u>\$ 3,831,359</u>

Note: Including common stock and special stock.

The Company invests for the mid- and long-term strategies, and expects to gain through the long-term investments. The management of the Company believes that it is inconsistent to include the short-term fair value fluctuations of such investments in profit/loss for the said purpose of long-term investments; therefore, it opts to designate such investments as measured at FVTOCI.

In 2025 and 2024, the Company adjusted its investment portfolio to diversify risks, selling part of its common shares at fair value for NT\$580,566 thousand and NT\$717,883 thousand. Related other equity—unrealized gain or loss from financial

assets measured at fair value through other comprehensive income of NT\$188,518 thousand and NT\$145,981 thousand was transferred to retained earnings.

The Company recognized dividend revenues of NT\$142,112 thousand and NT\$246,564 thousand, respectively, in 2025 and 2024, including amounts related to investments derecognized at the end of the period, NT\$3,161 thousand and NT\$10,906 thousand. The amounts related to the holders were NT\$138,951 thousand and NT\$235,658 thousand on December 31, 2025 and 2024, respectively.

(II) Investments in liability instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Domestic investment</u>		
Government Bonds	\$ 567,852	\$ 566,156
Financial bonds	59,810	59,136
Corporate Bonds	100,389	100,160
Deductible of refundable deposits (Note 17)	(<u>567,852</u>)	(<u>566,156</u>)
Subtotal	<u>160,199</u>	<u>159,296</u>
<u>Foreign investment</u>		
Financial bonds	156,943	163,736
Corporate bonds	<u>310,909</u>	<u>469,207</u>
Subtotal	<u>467,852</u>	<u>632,943</u>
Total	<u>\$ 628,051</u>	<u>\$ 792,239</u>

For the information for credit risks management and the impairment evaluation related to bond instruments measured at fair value through other comprehensive income, please refer to Note 11.

X. Financial assets carried at amortized cost

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Domestic investment		
Financial bonds	\$ 650,000	\$ 650,000
Corporate bonds	2,300,146	2,297,994
Foreign investment		
Corporate bonds	<u>348,927</u>	<u>331,553</u>
	<u>3,299,073</u>	<u>3,279,547</u>
Less: allowance loss	(<u>273</u>)	(<u>537</u>)
	<u>\$ 3,298,800</u>	<u>\$ 3,279,010</u>

For the information about credit risks management and the impairment evaluation related to investment in bond instruments carried at amortized cost, please refer to Note 11.

XI. Credit risks management for Investments in liability instruments

The bond instruments invested in by the Company are stated as the assets at fair value through other comprehensive income and financial assets carried at amortized cost:

December 31, 2025

	At fair value through other comprehensive income	At amortized cost	Total
Total of Carrying Amount	\$ 1,187,509	\$ 3,299,073	\$ 4,486,582
Allowance loss	(<u>57</u>)	(<u>273</u>)	(<u>330</u>)
Amortized cost	1,187,452	<u>\$ 3,298,800</u>	4,486,252
Adjustment to fair value	<u>8,451</u>		<u>8,451</u>
	1,195,903		4,494,703
Deductible of refundable deposits	(<u>567,852</u>)		(<u>567,852</u>)
	<u>\$ 628,051</u>		<u>\$ 3,926,851</u>

December 31, 2024

	At fair value through other comprehensive income	At amortized cost	Total
Total of Carrying Amount	\$ 1,369,222	\$ 3,279,547	\$ 4,648,769
Allowance loss	(<u>115</u>)	(<u>537</u>)	(<u>652</u>)
Amortized cost	1,369,107	<u>\$ 3,279,010</u>	4,648,117
Adjustment to fair value	(<u>10,712</u>)		(<u>10,712</u>)
	1,358,395		4,637,405
Deductible of refundable deposits	(<u>566,156</u>)		(<u>566,156</u>)
	<u>\$ 792,239</u>		<u>\$ 4,071,249</u>

The policies applied by the Company is to only invest the bond instruments with rating of investment grade and above (including) and low credit risk for impairment evaluation. The credit ratings are provided by independent rating agencies. The Company continuously track the external ratings to monitor the movement of the credit risk for the invested bond instruments, while reviewing other information such as the yield curves of bonds and material information of the debtors, for the purpose of evaluating if the credit risks of bond instruments increase significantly since the initial recognition.

By considering the default loss rate provided by the external rating agencies, current financial position of the debtors, and the outlook forecasts of the industries

where they operates, to measure the 12-month ECLs or lifetime ECLs. The Company's current credit risk rating mechanism is as follows:

<u>Credit Rating</u>	<u>Definition</u>	<u>Basis for Recognizing ECLs</u>
Normal	The credit risk of the debtor is low, or not increased significantly, with sufficient solvency for the contractual cash flow	12-month expected credit loss
Abnormal	The credit risk has been significantly increased since initial recognition	Lifetime expected credit loss (credit not impaired)
Default	Evidence of credit loss exists or the credit impairment loss is recognized	Lifetime expected credit loss (credit impaired)
Write Off	The available proof showed that the debtor was suffering serious financial difficulties and it was impossible for the Company to expect recoverability	Direct Write Off

The total carrying amounts of debt instrument investments by credit rating and their applicable expected credit loss rates are as follows:

December 31, 2025

<u>Credit Rating</u>	<u>Expected Credit Loss (ECL)</u>	<u>Total carrying amount as of December 31, 2025</u>
Normal	0.0012%~0.0771%	\$ 4,486,582
Abnormal	(Note)	-
Default	(Note)	-
Write Off	(Note)	-

December 31, 2024

<u>Credit Rating</u>	<u>Expected Credit Loss (ECL)</u>	<u>Total carrying amount as of December 31, 2024</u>
Normal	0.0025%~0.0705%	\$ 4,648,769
Abnormal	(Note)	-
Default	(Note)	-
Write Off	(Note)	-

(Note): The credit level of the bond investments as of December 31, 2025 and 2024 were all normal and thus not applicable.

- (I) Information about changes in allowance loss on the investment in bond instruments measured at fair value through other comprehensive income

	Credit Rating		
	Normal (12-month expected credit loss)	Abnormal (Lifetime expected credit loss whose credit not impaired)	Default (Lifetime expected credit loss exists and the credit is impaired)
Balance at January 1, 2025	\$ 115	\$ -	\$ -
New purchase	1	-	-
Derecognition	(6)	-	-
Exchange rate and other movement	(<u>53</u>)	<u>-</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2024	\$ 227	\$ -	\$ -
Derecognition	(107)	-	-
Exchange rate and other movement	(<u>5</u>)	<u>-</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ -</u>

- (II) Information about changes in allowance loss on the investment in bond instruments carried at amortized cost

	Credit Rating		
	Normal (12-month expected credit loss)	Abnormal (Lifetime expected credit loss whose credit not impaired)	Default (Lifetime expected credit loss exists and the credit is impaired)
Balance at January 1, 2025	\$ 537	\$ -	\$ -
Purchase of New Liability Instruments	8	-	-
Derecognition	(9)	-	-
Exchange rate and other movement	(<u>263</u>)	<u>-</u>	<u>-</u>
Balance at December 31, 2025	<u>\$ 273</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2024	\$ 433	\$ -	\$ -
Purchase of New Liability Instruments	50	-	-
Exchange rate and other movement	<u>54</u>	<u>-</u>	<u>-</u>
Balance at December 31, 2024	<u>\$ 537</u>	<u>\$ -</u>	<u>\$ -</u>

XII. Investment under equity method

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investments in associates	<u>\$ 302,583</u>	<u>\$ 427,862</u>

Summarization About Associates With Immateriality Information

	Percentage of the shareholding and voting rights	
<u>Company Name</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Top Taiwan X Venture Capital Co., Ltd.	24.75%	24.75%
AcSun Energy Inc.	20.00%	20.00%
	<u>2025</u>	<u>2024</u>
Shares Vested in the Company		
Net profit (loss) for the period from continuing operations	(\$ 21,422)	\$ 65,241
Other comprehensive income	-	-
Total comprehensive income	<u>(\$ 21,422)</u>	<u>\$ 65,241</u>

Top Taiwan X Venture Capital Co., Ltd. resolved at the shareholders' meeting on May 8, 2025 to refund the stock payment by NT\$39,501 thousand.

AcSun Energy Inc. acquired the equity of its investee company in March 2024, causing the change in its ownership interest to offset its retained earnings. The Company offset the retained earnings by NT\$7,145 thousand as a result of the changes in the ownership interest.

For the business natures, major business locations, and the countries where the entities register, please refer to the Table 1: "Information, Location of the Invested Company"

The investment under equity method and shares of income and other comprehensive income remaining vested in the Company in it were recognized based on the affiliates' financial statements audited by the CPA for the same fiscal period.

XIII. Other financial assets - net

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposit with initial maturity date more than three months away	\$ 2,772,400	\$ 3,581,500
Less: Deductible of refundable deposits (Note 17)	(<u>15,000</u>)	(<u>15,000</u>)
	<u>\$ 2,757,400</u>	<u>\$ 3,566,500</u>

The interest rate ranges of time deposit and NCD on the balance sheet date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Time deposits	0.40% ~ 1.78%	0.40% ~ 1.76%

XIV. Investment Properties

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment Properties Completed	\$ 2,156,855	\$ 2,205,518
Right-of-use assets	<u>1,408</u>	<u>2,084</u>
	<u>\$ 2,158,263</u>	<u>\$ 2,207,602</u>

	<u>Land</u>	<u>House and building</u>	<u>Right-of-use assets</u>	<u>Total</u>
<u>Cost</u>				
Balance at January 1, 2024	\$ 2,054,273	\$ 451,672	\$ 33,518	\$ 2,539,463
Increase	-	4,553	-	4,553
Decrease in the period	-	(47,667)	(30,139)	(77,806)
Balance at December 31, 2024	<u>\$ 2,054,273</u>	<u>\$ 408,558</u>	<u>\$ 3,379</u>	<u>\$ 2,466,210</u>
<u>Accumulated Depreciation</u>				
Balance at January 1, 2024	\$ -	\$ 291,007	\$ 27,213	\$ 318,220
Depreciation expense	-	13,973	4,221	18,194
Decrease in the period	-	(47,667)	(30,139)	(77,806)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 257,313</u>	<u>\$ 1,295</u>	<u>\$ 258,608</u>
Net at December 31, 2024	<u>\$ 2,054,273</u>	<u>\$ 151,245</u>	<u>\$ 2,084</u>	<u>\$ 2,207,602</u>

<u>Cost</u>				
Balance at January 1, 2025	\$ 2,054,273	\$ 408,558	\$ 3,379	\$ 2,466,210
Increase	-	1,703	-	1,703
Transferred to Property and Equipment	(37,683)	(14,328)	-	(52,011)
Balance at December 31, 2025	<u>\$ 2,016,590</u>	<u>\$ 395,933</u>	<u>\$ 3,379</u>	<u>\$ 2,415,902</u>

<u>Accumulated Depreciation</u>				
Balance at January 1, 2025	\$ -	\$ 257,313	\$ 1,295	\$ 258,608
Depreciation expense	-	9,089	676	9,765
Transferred to Property and Equipment	-	(10,734)	-	(10,734)
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 255,668</u>	<u>\$ 1,971</u>	<u>\$ 257,639</u>

	Land	House and building	Right-of-use assets	Total
Net at December 31, 2025	<u>\$ 2,016,590</u>	<u>\$ 140,265</u>	<u>\$ 1,408</u>	<u>\$ 2,158,263</u>

The Company amortized depreciation on the straight-line basis for its investment properties of the following useful life:

House and building	55-60 years
Right-of-use assets	5 years

The fair value of investment property as of December 31, 2025 and December 31, 2024 was appraised by independent appraisal companies, Dahua Real Estate Appraisers Joint Office and Cathay Real Estate Appraisers Joint Office, using level 3 inputs on the balance sheet date. The appraisal was evaluated based on the “Regulations on Real Estate Appraisal”, by applying appraisal approaches including market comparison, income, differential rent recovery, analysis of land development, or cost. The applied key unobservable input is the discount rate. The fair values from the appraisals are as follows:

	December 31, 2025	December 31, 2024
Fair Value	<u>\$ 5,105,832</u>	<u>\$ 5,194,241</u>
Discount rate	1.85%~5.50%	1.55%~7.97%

On September 14, 2024, the Company disposed of the investment property at Nos. 617, 619 and 621 & 2F, No. 621, Zhongzheng Rd., Xinzhaung Dist., New Taipei City, generated the proceeds totaling NT\$23,796 thousand (after tax). The gain from the disposal, NT\$23,796 thousand, was stated as the operating revenue-gain (loss) on investment properties.

All investment properties owned by the Company was in its own interests.

The right-of-use assets included in the investment properties refers to the land rented by the Company and subleased to others in the form of operating lease.

The total amounts of the expected future lease payments from the investment properties leased as operating leases are as the following:

	December 31, 2025	December 31, 2024
1 st year	\$ 124,074	\$ 126,329
2 st year	115,476	118,603
3 st year	94,335	108,784
4 st year	90,911	89,811
5 st year	82,851	86,347
More than 5 years	<u>205,095</u>	<u>268,558</u>
	<u>\$ 712,742</u>	<u>\$ 798,432</u>

XV. Property and Equipment

	Own land	Buildings and ancillary equipment	Computer equipment	Traffic and transport equipment	Other equipment	Leasehold improvements	Total
<u>Cost</u>							
Balance at January 1, 2024	\$ 261,774	\$ 170,077	\$ 51,445	\$ 5,623	\$ 8,535	\$ 9,168	\$ 506,622
Increase	-	194	6,999	-	850	50	8,093
Disposition	-	-	(3,969)	(4,811)	(487)	-	(9,267)
Balance at December 31, 2024	<u>\$ 261,774</u>	<u>\$ 170,271</u>	<u>\$ 54,475</u>	<u>\$ 812</u>	<u>\$ 8,898</u>	<u>\$ 9,218</u>	<u>\$ 505,448</u>
<u>Accumulated Depreciation</u>							
Balance at January 1, 2024	\$ -	\$ 107,866	\$ 20,151	\$ 3,665	\$ 3,897	\$ 6,684	\$ 142,263
Depreciation expense	-	3,649	10,171	374	1,193	902	16,289
Disposition	-	-	(3,969)	(3,530)	(487)	-	(7,986)
Balance at December 31, 2024	<u>\$ -</u>	<u>\$ 111,515</u>	<u>\$ 26,353</u>	<u>\$ 509</u>	<u>\$ 4,603</u>	<u>\$ 7,586</u>	<u>\$ 150,566</u>
Net at December 31, 2024	<u>\$ 261,774</u>	<u>\$ 58,756</u>	<u>\$ 28,122</u>	<u>\$ 303</u>	<u>\$ 4,295</u>	<u>\$ 1,632</u>	<u>\$ 354,882</u>

	Own land	Buildings and ancillary equipment	Computer equipment	Traffic and transport equipment	Other equipment	Leasehold improvements	Total
<u>Cost</u>							
Balance at January 1, 2025	\$ 261,774	\$ 170,271	\$ 54,475	\$ 812	\$ 8,898	\$ 9,218	\$ 505,448
Increase	1,915,583	97,808	12,272	128	771	903	2,027,465
Disposition	-	-	(5,879)	(67)	(549)	-	(6,495)
Transferred from Investment Properties	37,683	14,328	-	-	-	-	52,011
Balance at December 31, 2025	<u>\$2,215,040</u>	<u>\$ 282,407</u>	<u>\$ 60,868</u>	<u>\$ 873</u>	<u>\$ 9,120</u>	<u>\$ 10,121</u>	<u>\$2,578,429</u>
<u>Accumulated Depreciation</u>							
Balance at January 1, 2025	\$ -	\$ 111,515	\$ 26,353	\$ 509	\$ 4,603	\$ 7,586	\$ 150,566
Depreciation expense	-	20,221	11,417	100	1,259	747	33,744
Disposition	-	-	(5,879)	(67)	(549)	-	(6,495)
Transferred from Investment Properties	-	10,734	-	-	-	-	10,734
Balance at December 31, 2025	<u>\$ -</u>	<u>\$ 142,470</u>	<u>\$ 31,891</u>	<u>\$ 542</u>	<u>\$ 5,313</u>	<u>\$ 8,333</u>	<u>\$ 188,549</u>
Net at December 31, 2025	<u>\$2,215,040</u>	<u>\$ 139,937</u>	<u>\$ 28,977</u>	<u>\$ 331</u>	<u>\$ 3,807</u>	<u>\$ 1,788</u>	<u>\$2,389,880</u>

On August 27, 2025, the Board of Directors of the Company resolved to purchase the entire building located at No. 210, Section 3, Chengde Road, Datong District, Taipei City at the price of NT\$ 2,000,000 thousand for its own use. On September 3, 2025, the Company entered into a real estate purchase agreement with Senlue Investment Co., Ltd., and completed the handover and transfer of the property on September 24, 2025.

The depreciation expenses are provided on the straight-line basis during the durable life span:

Building	55 years
Auxiliary equipment	
Power transmission equipment	15 years
Telecommunication equipment	3-10 years
Fire-fighting equipment	5 years
Computer equipment	3-10 years

Traffic and transport equipment
Other equipment
Leasehold improvements

5 years
3-10 years
7 years

XVI. Lease Agreement

(I) Right-of-use assets

	Building	Transport equipment	Total
<u>Cost</u>			
Balance at January 1, 2024	\$ 84,053	\$ 9,772	\$ 93,825
Increase	7,176	5,546	12,722
Decrease in the period	(8,964)	(3,176)	(12,140)
Balance at December 31, 2024	<u>\$ 82,265</u>	<u>\$ 12,142</u>	<u>\$ 94,407</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2024	\$ 33,968	\$ 4,567	\$ 38,535
Depreciation expense	22,641	3,337	25,978
Decrease in the period	(8,964)	(2,910)	(11,874)
Balance at December 31, 2024	<u>\$ 47,645</u>	<u>\$ 4,994</u>	<u>\$ 52,639</u>
Net at December 31, 2024	<u>\$ 34,620</u>	<u>\$ 7,148</u>	<u>\$ 41,768</u>
<u>Cost</u>			
Balance at January 1, 2025	\$ 82,265	\$ 12,142	\$ 94,407
Increase	31,862	385	32,247
Decrease in the period	(28,821)	(1,830)	(30,651)
Balance at December 31, 2025	<u>\$ 85,306</u>	<u>\$ 10,697</u>	<u>\$ 96,003</u>
<u>Accumulated Depreciation</u>			
Balance at January 1, 2025	\$ 47,645	\$ 4,994	\$ 52,639
Depreciation expense	21,756	3,263	25,019
Decrease in the period	(26,710)	(1,830)	(28,540)
Balance at December 31, 2025	<u>\$ 42,691</u>	<u>\$ 6,427</u>	<u>\$ 49,118</u>
Net at December 31, 2025	<u>\$ 42,615</u>	<u>\$ 4,270</u>	<u>\$ 46,885</u>

The land rented by the Company was subleased in the form of operating lease. The relevant right-of-use assets were stated as the investment properties. Please refer to Note 14. Said right-of-use assets excluded those defined as investment properties.

(II) Lease liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Carrying amount of lease liabilities	<u>\$ 49,060</u>	<u>\$ 44,598</u>
Interest expense of lease liabilities	<u>\$ 1,399</u>	<u>\$ 1,528</u>

The discount rates for the lease liabilities are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Land	2.992%	2.992%
Building	2.366%~3.244%	2.366%~3.244%
Transport equipment	2.867%~3.244%	2.616%~3.244%

(III) Major lessee activities and terms and conditions

When the Company is a lessee of lands and buildings, the period is 1 to 8 years. When the lease period expires, the Company has no favorable right to purchase the leased lands.

(IV) Other information of Leases

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Short-term lease expenses	<u>\$ 481</u>	<u>\$ 47</u>
Low-valued asset lease expenses	<u>\$ 5</u>	<u>\$ 5</u>
Total amount of cash (outflow) of lease	<u>(\$ 27,493)</u>	<u>(\$ 33,123)</u>

XVII. Refundable Deposit

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Refundable deposit		
Bond of Insurance Enterprises	\$ 567,852	\$ 566,156
Bond of Litigation	2,960	2,960
Others	<u>121,198</u>	<u>99,193</u>
	<u>\$ 692,010</u>	<u>\$ 668,309</u>

- (I) Based on Article 141 and 142 of the Insurance Act, an insurance enterprise shall post bond at the national treasury in an amount equal to 15% of the total amount of its paid-in capital or paid-in fund. The bond posted is not to be returned except suspending business and having liquidation completed. The Company offset it with the government bonds.

- (II) The Company has paid the following assets as bonds for legal actions and others on December 31, 2025 and 2024.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other financial assets		
— Time deposits	\$ 15,000	\$ 15,000
Cash and cash equivalents	<u>109,158</u>	<u>87,153</u>
	<u>\$ 124,158</u>	<u>\$ 102,153</u>

XVIII. Reserve for liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Net defined benefit liability	<u>\$ 40,798</u>	<u>\$ 40,229</u>

(I) Defined contribution plan

The “Labor Pension Act” is applicable to the Company, which is a defined contribution plan managed by the Government. Monthly contributions equal to 6% of each employee’s monthly salary are made to employees’ pension accounts.

(II) Ascertained fringe benefit plans

The pension system implemented by the Company based on the “Labor Standards Act” is a defined benefit plan managed by the Government. The pension benefits a participant receives are determined based on an employee’s number of years of service and average compensation for the 6-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, if the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government’s designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

Amounts recognized in the balance sheet in respect of these defined benefit plans were as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Present value of defined benefit obligation	\$ 115,700	\$ 113,050
Fair value of plan asset	(<u>74,902</u>)	(<u>72,821</u>)
Net defined benefit liability	<u>\$ 40,798</u>	<u>\$ 40,229</u>

Movement of the net defined benefit liability are as following:

	Present value of defined benefit obligation	Fair value of plan asset	Net defined benefit liability (asset)
January 1, 2024	<u>\$ 121,889</u>	<u>(\$ 63,655)</u>	<u>\$ 58,234</u>
Service cost			
Current service cost	1,155	-	1,155
Interest expense (revenue)	<u>1,348</u>	<u>(744)</u>	<u>604</u>
Recognized into profit and/or loss	<u>2,503</u>	<u>(744)</u>	<u>1,759</u>
Remeasurements			
Plan asset return (the amount included in the net interests is excluded)	-	(5,705)	(5,705)
Actuarial gains and losses - movement of financial assumption	(3,415)	-	(3,415)
Actuarial gains and losses - experience adjustments	<u>(1,725)</u>	<u>-</u>	<u>(1,725)</u>
Recognized under other comprehensive income	<u>(5,140)</u>	<u>(5,705)</u>	<u>(10,845)</u>
Contributions from employer	<u>-</u>	<u>(8,919)</u>	<u>(8,919)</u>
Benefits paid	<u>(6,202)</u>	<u>6,202</u>	<u>-</u>
December 31, 2024	<u>\$ 113,050</u>	<u>(\$ 72,821)</u>	<u>\$ 40,229</u>

	Present value of defined benefit obligation	Fair value of plan asset	Net defined benefit liability (asset)
January 1, 2025	<u>\$ 113,050</u>	<u>(\$ 72,821)</u>	<u>\$ 40,229</u>
Service cost			
Current service cost	1,052	-	1,052
Interest expense (revenue)	<u>1,640</u>	<u>(1,075)</u>	<u>565</u>
Recognized into profit and/or loss	<u>2,692</u>	<u>(1,075)</u>	<u>1,617</u>
Remeasurements			
Plan asset return (the amount included in the net interests is excluded)	-	(5,242)	(5,242)
Actuarial gains and losses - movement of financial assumption	4,359	-	4,359
Actuarial gains and losses - experience adjustments	<u>4,876</u>	<u>-</u>	<u>4,876</u>
Recognized under other comprehensive income	<u>9,235</u>	<u>(5,242)</u>	<u>3,993</u>
Contributions from employer	<u>-</u>	<u>(5,041)</u>	<u>(5,041)</u>
Benefits paid	<u>(9,277)</u>	<u>9,277</u>	<u>-</u>
December 31, 2025	<u>\$ 115,700</u>	<u>(\$ 74,902)</u>	<u>\$ 40,798</u>

Through the defined benefit plans under the “Labor Standards Act”, the Company is exposed to the following risks:

1. Investment risk: The pension funds are invested in domestic and overseas equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau of Labor Funds, MOL or under the mandated management. However, the distributable amount of the plan assets of the Company, is the income calculated based on the rate no lower than the average interest rate on a two-year time deposit published by the local banks.
2. Interest risk: A decrease in the government bond/corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.
3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation is calculated by qualified actuaries, and the material assumptions on the measurement date are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate	1.25%	1.50%
Average long term wage-adjustment rate	2.25%	2.00%

Shall the material actuarial assumptions occur reasonable and possible changes, respectively, where all other assumptions remaining the same, the present value of defined benefit obligation will be caused to increase(decrease) as the following

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Discount rate		
Increase 0.25%	(\$ <u>2,236</u>)	(\$ <u>2,187</u>)
Decrease 0.25%	<u>\$ 2,307</u>	<u>\$ 2,259</u>
Average long term wage-adjustment rate		
Increase 0.25%	<u>\$ 2,243</u>	<u>\$ 2,205</u>
Decrease 0.25%	(<u>\$ 2,185</u>)	(<u>\$ 2,146</u>)

As the actuarial assumptions may be interrelated, it is not very likely that only one assumption changes, and thus the abovementioned analysis of sensitivity may not reflect the changes of present value of defined benefit obligations.

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Amount expected to be provided within 1 year	<u>\$ 2,449</u>	<u>\$ 5,140</u>
Average maturity for the defined benefit obligation	7.8 years	7.8 years

XIX. Reinsurance contract asset and Insurance liabilities

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Less benefits & claims recovered from reinsurers	\$ 63,808	\$ 59,789
Less: allowance loss	(<u>319</u>)	(<u>299</u>)
	<u>\$ 63,489</u>	<u>\$ 59,490</u>
Due from reinsurers and ceding companies	\$ 219,386	\$ 176,585
Due from reinsurers and ceding companies - Non-accrual loan	1,014	3,412
Less: allowance loss	(<u>3,416</u>)	(<u>5,582</u>)
	<u>\$ 216,984</u>	<u>\$ 174,415</u>
Reinsurance reserve asset - net		
Ceding unearned premium reserves	\$ 1,143,830	\$ 997,259
Ceding claims reserves	2,284,514	1,677,095
Less: Accumulated impairment	(<u>17</u>)	(<u>25</u>)
	<u>\$ 3,428,327</u>	<u>\$ 2,674,329</u>
Insurance liabilities		
Unearned premium reserves	\$ 4,312,455	\$ 4,126,243
Claim reserves	5,189,001	4,571,316
Special reserves	2,159,726	2,120,413
Premium deficiency reserves	<u>8,839</u>	<u>7,033</u>
	<u>\$ 11,670,021</u>	<u>\$ 10,825,005</u>

(I) Less benefits & claims recovered from reinsurers

Upon determination of the recoverability of claim recoverable from reinsurers, the Company took into account and all changes in the quality of credit of the claim recoverable from reinsurers during the period starting from the initial granting of the loan until the balance sheet date. The Company provides the allowance for loss based on the “Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans,” and all the claims that are

overdue for nine months and recoverable from reinsurers are transferred to the non-accrued loans.

This is the current payment resulted from ceding reinsurance business among insurer's peer, and thus the concentration of the credit risk is limited.

(II) Due from reinsurers and ceding companies

Upon determination of the recoverability of due from reinsurers and ceding companies, the Company took into account and all changes in the quality of credit of the due from reinsurers during the period starting from the initial granting of the loan until the balance sheet date. The Company provides the allowance for loss based on the "Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans," and all the due from reinsurers overdue for nine months are transferred to the non-accrued loans.

This is the current payment resulted from ceding and inward reinsurance business among insurer's peer, and thus the concentration of the credit risk is limited.

(III) Movement of allowance for loss for Claim recoverable from reinsurers and due from reinsurers and ceding companies are as follows:

	Impairment loss by individual assessment	Impairment loss by group assessment	Total
Balance at January 1, 2024	\$ 12,288	\$ 6,158	\$ 18,446
Add: Reversal in the current year	(10,206)	(2,359)	(12,565)
Balance at December 31, 2024	<u>\$ 2,082</u>	<u>\$ 3,799</u>	<u>\$ 5,881</u>
Balance at January 1, 2025	\$ 2,082	\$ 3,799	\$ 5,881
Add: Reversal in the current year	(1,093)	(1,053)	(2,146)
Balance at December 31, 2025	<u>\$ 989</u>	<u>\$ 2,746</u>	<u>\$ 3,735</u>

The Company does not hold any collateral for the outstanding balances of such receivables.

(IV) Allowance for loss of the non-accrual loan

As of December 31, 2025, the impairment or unrecoverable amount has been evaluated for the due from reinsurers and ceding companies, and the allowance for loss has been provided as NT\$989 thousand.

As of December 31, 2024, the impairment or unrecoverable amount has been evaluated for the due from reinsurers and ceding companies, and the allowance for loss has been provided as NT\$2,082 thousand.

(V) Reinsurance reserve asset and Insurance liabilities

Movement of increase/decrease for reinsurance reserve assets and insurance liabilities during 2025:

	January 1, 2025	Provision for the period	Recovery of the Period	Others	December 31, 2025
<u>Reinsurance reserve asset - net</u>					
<u>Ceding unearned premium</u>					
reserves					
Total amount	\$ 997,259	\$ 1,086,979	\$ 940,408	\$ -	\$ 1,143,830
Recognized impairment					
loss	-	-	-	-	-
	<u>997,259</u>	<u>1,086,979</u>	<u>940,408</u>	<u>-</u>	<u>1,143,830</u>
<u>Ceding claims reserves</u>					
Reported but not yet					
paid	1,263,576	1,835,824	1,263,576	-	1,835,824
Not yet reported	413,519	448,690	413,519	-	448,690
Recognized impairment					
loss	(25)	-	-	8	(17)
	<u>1,677,070</u>	<u>2,284,514</u>	<u>1,677,095</u>	<u>8</u>	<u>2,284,497</u>
Total of Reinsurance					
reserve asset	<u>\$ 2,674,329</u>	<u>\$ 3,371,493</u>	<u>\$ 2,617,503</u>	<u>\$ 8</u>	<u>\$ 3,428,327</u>
<u>Insurance liabilities</u>					
<u>Unearned premium reserves</u>	<u>\$ 4,126,243</u>	<u>\$ 4,160,617</u>	<u>\$ 3,974,405</u>	<u>\$ -</u>	<u>\$ 4,312,455</u>
<u>Claim reserves</u>					
Reported but not yet					
paid	3,392,743	3,941,238	3,392,743	-	3,941,238
Not yet reported	<u>1,178,573</u>	<u>1,247,763</u>	<u>1,178,573</u>	<u>-</u>	<u>1,247,763</u>
	<u>4,571,316</u>	<u>5,189,001</u>	<u>4,571,316</u>	<u>-</u>	<u>5,189,001</u>
<u>Special reserves</u>					
Special reserves for					
material accidents	134,727	-	20,812	-	113,915
Special reserves for					
hazard changes	588,650	-	-	-	588,650
Other special reserves	<u>1,397,036</u>	<u>61,131</u>	<u>1,006</u>	<u>-</u>	<u>1,457,161</u>
	<u>2,120,413</u>	<u>61,131</u>	<u>21,818</u>	<u>-</u>	<u>2,159,726</u>
<u>Premium deficiency reserves</u>	<u>7,033</u>	<u>8,839</u>	<u>7,033</u>	<u>-</u>	<u>8,839</u>
Total Insurance					
Liabilities	<u>\$10,825,005</u>	<u>\$ 9,419,588</u>	<u>\$ 8,574,572</u>	<u>\$ -</u>	<u>\$11,670,021</u>

Movement of increase/decrease for reinsurance reserve assets and insurance liabilities during 2024:

	January 1, 2024	Provision for the period	Recovery of the Period	Others	December 31, 2024
<u>Reinsurance reserve asset - net</u>					
<u>Ceding unearned premium</u>					
reserves					
Total amount	\$ 963,980	\$ 952,859	\$ 919,580	\$ -	\$ 997,259
Recognized impairment					
loss	-	-	-	-	-
	<u>963,980</u>	<u>952,859</u>	<u>919,580</u>	<u>-</u>	<u>997,259</u>
<u>Ceding claims reserves</u>					
Reported but not yet					
paid	767,884	1,263,576	767,884	-	1,263,576
Not yet reported	380,961	413,519	380,961	-	413,519
Recognized impairment					
loss	(25)	-	-	-	(25)
	<u>1,148,820</u>	<u>1,677,095</u>	<u>1,148,845</u>	<u>-</u>	<u>1,677,070</u>
Total of Reinsurance					
reserve asset	<u>\$ 2,112,800</u>	<u>\$ 2,629,954</u>	<u>\$ 2,068,425</u>	<u>\$ -</u>	<u>\$ 2,674,329</u>
<u>Insurance liabilities</u>					
<u>Unearned premium reserves</u>	<u>\$ 3,999,981</u>	<u>\$ 4,004,807</u>	<u>\$ 3,878,545</u>	<u>\$ -</u>	<u>\$ 4,126,243</u>
<u>Claim reserves</u>					

	January 1, 2024	Provision for the period	Recovery of the Period	Others	December 31, 2024
Reported but not yet paid	2,642,977	3,392,743	2,642,977	-	3,392,743
Not yet reported	<u>1,076,885</u>	<u>1,178,573</u>	<u>1,076,885</u>	-	<u>1,178,573</u>
	<u>3,719,862</u>	<u>4,571,316</u>	<u>3,719,862</u>	-	<u>4,571,316</u>
Special reserves					
Special reserves for material accidents	153,734	-	19,007	-	134,727
Special reserves for hazard changes	599,144	-	10,494	-	588,650
Other special reserves	<u>1,314,027</u>	<u>89,118</u>	<u>6,109</u>	-	<u>1,397,036</u>
	<u>2,066,905</u>	<u>89,118</u>	<u>35,610</u>	-	<u>2,120,413</u>
Premium deficiency reserves	<u>6,340</u>	<u>7,033</u>	<u>6,340</u>	-	<u>7,033</u>
Total Insurance Liabilities	<u>\$ 9,793,088</u>	<u>\$ 8,672,274</u>	<u>\$ 7,640,357</u>	<u>\$ -</u>	<u>\$10,825,005</u>

According to the “Directions for Strengthening Catastrophe Insurance Reserve by Non-Life Insurance Enterprises,” when the self-retained claim reserves resulting from any catastrophe exceed the expected claims less the special reserve offset against material accidents, or when the reserves accumulate to the full water level, the Company will offset the special reserves for material accidents pursuant to the “Regulations Governing Various Reserves for Commercial Earthquake Insurance and Typhoon and Flood Insurance Operated by Non-Life Insurance Enterprises.” As a result, the Company will offset the special reserves for material accidents by NT\$20,812 thousand and NT\$19,007 thousand for 2025 and 2024, respectively.

In 2025 and 2024, the summary of effects produced by the Company’s application or failure in application of the “Directions for Strengthening Catastrophe Insurance Reserve by Non-Life Insurance Enterprises,” “Notes to Enhancing the Reserves of Members of Residential Earthquake Insurance Co-Insurance Organization” and “Regulations Governing Various Reserves for Nuclear Energy Insurance Operated by Non-Life Insurance Enterprises” are listed as follows:

2025

	Net Profit for the Period	Earnings Per Share (EPS)	Total Liabilities	Equity
Amount applied	\$ 1,242,577	\$ 3.91	\$ 13,778,767	\$ 11,840,918
Amount not applied	<u>1,225,927</u>	<u>3.86</u>	<u>12,845,897</u>	<u>12,624,344</u>
Effects	<u>\$ 16,650</u>	<u>\$ 0.05</u>	<u>\$ 932,870</u>	<u>(\$ 783,426)</u>

2024

	<u>Net Profit for the Period</u>	<u>Earnings Per Share (EPS)</u>	<u>Total Liabilities</u>	<u>Equity</u>
Amount applied	\$ 1,162,329	\$ 3.21	\$ 12,637,789	\$ 12,272,047
Amount not applied	<u>1,138,728</u>	<u>3.14</u>	<u>11,684,107</u>	<u>13,072,123</u>
Effects	<u>\$ 23,601</u>	<u>\$ 0.07</u>	<u>\$ 953,682</u>	<u>(\$ 800,076)</u>

XX. Equity(I) CapitalCommon Stock

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Authorized shares (thousand shares)	<u>600,000</u>	<u>600,000</u>
Authorized capital	<u>\$ 6,000,000</u>	<u>\$ 6,000,000</u>
The number of issued and outstanding shares with paid-in capital (thousand shares)	<u>253,540</u>	<u>362,200</u>
Issued and outstanding share capital	<u>\$ 2,535,403</u>	<u>\$ 3,622,004</u>

The Company resolved at the shareholders' meeting on May 29, 2025 to refund the stock payment upon the cash capital reduction. As a result, 108,660 thousand shares were canceled, and the capital reduction ratio was 30%. The aforementioned cash capital reduction took effect on August 1, 2025, after being declared effective with the Taiwan Stock Exchange. The capital reduction record date is August 5, 2025, and the change registration has been completed.

(II) Capital surplus

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>May be used for making up losses, or be distributed cash or provided as the share capital</u>		
Premium in stock issuance	\$ 1,915	\$ 1,915
Treasury stock transaction	97,047	97,047
Others	<u>2</u>	<u>2</u>
	<u>\$ 98,964</u>	<u>\$ 98,964</u>

Such capital surplus may be used to offset a deficit; when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends up to a certain percentage of the Company's paid-in capital.

(III) Retained earnings and dividend policy

Based on the earnings distribution policy in the Company's Articles of Incorporation, should there be earnings after the annual settlement, the earnings shall

offset the accumulated deficit from the previous years, and pay all the taxes, and 20% of the remaining shall be provided as the legal reserve. However, if the legal reserve reaches the total paid-in capital of the Company, the said requirement is not applicable. When the special reserve is provided or reversed based on laws, the remaining amount may be combined with the balance of the undistributed earnings at the beginning of the period and the adjusted amount of the undistributed earnings of the year, for the purpose of proposing the earnings distribution plan prepared by the Board of Directors for the shareholders' meeting to determine. For the policy for distributing compensation of employees and directors specified in the Company Charter, please refer to Note 21(8), "Compensations of Employees and Directors."

The Company is an insurance enterprise. As the competition has been intensifying since the opening of the insurance market, by taking into account of the ability of covering of the Company, enhancement of solvency, future needs of funds, and the long-term financial plans, as well as to properly meet the shareholders' demand for cash inflows, the Board of Directors takes stable and balanced dividend policy for the profit distribution proposal of the year, and adjust the percentage of the equity dividend and cash dividends upon its discretions. The cash dividends are no less than 10% of the total dividends; however, if the cash dividend per share is lower than NT\$0.1, it may be distributed in equity dividend.

Based on the "Regulations Governing Various Reserves of Insurance Enterprises" amended by the Letter Jin-Guan-Bao-Cai-Zi No. 09802513192, December 28, 2009, from January 1, 2011, the new provisions of the special reserves for material accidents and the special reserves for hazard changes each year shall be accounted to special reserves at the end of each year. Therefore, the earning of this portion shall not be distributed or used of other purpose. As of December 31, 2025 and 2024, the net provision was NT\$364,039 thousand and NT\$214,632 thousand, respectively.

The legal reserve shall be provided until the balance achieve the amount of the total paid-up capital of the Company; the legal reserve can be used to offset the deficits. Where the Company did not operate at a loss, the part of the legal reserve in excess of 25% of the paid-in capital could be taken as capital and may be allocated in cash as well. Furthermore, based on Jin-Guan-Bao-Cai-Zi No. 10202501991, "the insurance enterprises that intend to distribute the legal reserve and capital surplus in cash pro rata to the original holdings of shareholders based on Article 241 of the Company Act shall meet certain criteria", to enhance the solvency and strengthen the operation of the

companies, not only to meet the abovementioned criteria are to be met, the following requirements are also to be met, and such distribution shall be approved by FSC before the shareholders' meeting, the legal reserve and capital surplus may be distributed in cash based on Article 241 of the Company Act.

The criteria specified in Jin-Guan-Bao-Cai-Zi No. 10202501991 are as follows:

1. The legal reserve provided based on Paragraph 1, Article 145-1 of the Insurance Act has achieved the total amount of paid in capital or funds.
2. The ratio of the latest period of self-owned capital to the risk capital has achieved 250% after deducting the distribution of earnings in cash, cash distributed from capital reserve, and cash distributed from legal reserve.
3. The latest financial report for the year and six months (if the application date exceeding more than six month over the year) are certified by CPA without reserved opinion.
4. The improvements have been made according to the advices for internal control provided by CPA when conducting auditing and certification within the latest year and six months (if the application date exceeding more than six month over the year) .
5. No fine over NT\$1 million has been enforced by the competent authorities within the past year. However, shall the tangible improvement against these violations have been made and approved by the competent authorities, the previous requirement does not apply.
6. Healthy financial business with solvency.
7. There is no deficit or accumulated deficit, and no other fact showing any material internal control defect or possible hurdle to healthy operations.

The Company's appropriations of earnings for 2024 and 2023 are as follows:

	Disposition of net earnings		Dividends Per Share (\$)	
	2024	2023	2024	2023
Legal reserve	\$ 261,968	\$ 214,812		
Special reserve	224,190	303,130		
Cash dividend	724,401	470,861	\$ 2.0	\$ 1.3

The Company has held the annual general meetings on May 29, 2025 and May 31, 2024, respectively, and resolved to pass the distribution of the earnings for 2024 and 2023, respectively, as follows:

(IV) Special reserve

The movement of special reserve of 2025 and 2024 are as follows:

	Special reserves	Provisions by initial application of IFRS accounting standards	Special reserve form fin-tech employee transformation	Special reserve for personal travel insurance	Total
<u>2024</u>					
Balance - beginning of year	\$ 2,693,460	\$ 652,606	\$ 306	\$ 12,337	\$ 3,358,709
Accounted of the year	237,815	-	-	9,864	247,679
Recovery of the year	(23,183)	-	(306)	-	(23,489)
Balance - end of year	<u>\$ 2,908,092</u>	<u>\$ 652,606</u>	<u>\$ -</u>	<u>\$ 22,201</u>	<u>\$ 3,582,899</u>
<u>2023</u>					
Balance - beginning of year	\$ 2,908,092	\$ 652,606	\$ -	\$ 22,201	\$ 3,582,899
Accounted of the year	400,407	-	-	16,875	417,282
Recovery of the year	(36,368)	-	-	-	(36,368)
Balance - end of year	<u>\$ 3,272,131</u>	<u>\$ 652,606</u>	<u>\$ -</u>	<u>\$ 39,076</u>	<u>\$ 3,963,813</u>

When the Company initially IFRS accounting standards, the unrealized value added amount from the re-evaluation is NT\$698,510 thousand, and the special reserve has been provided for the same amount. As of the reporting date, for the disposal of property and equipment, NT\$45,904 thousand of special reserve provided for the unrealized value added amount from the re-evaluation for real estate, will be reversed.

The special reserve provided for the investment properties other than lands when initially applying IFRS accounting standards, may be reversed period by period during the usage period. The special reserve provided for lands, may be reversed when being disposed or reclassified. When distributing earnings, the special reserve shall be provided for the difference between the net deduction under other equity to shareholders and the special reserve provided for the initial application of IFRS accounting standards. Afterwards, if there is any reversal for the deduction under other equity to shareholders, the reversed portion may be distributed of earnings.

Based on Jin-Guan-Bao-Cai-Zi No. 10502066461 Letter on July 13, 2016, to respond to the development trend of fin-tech, assist the employees of insurance enterprises, and protect their interests, an insurance enterprises shall, when distributing

the earnings of FY 2016 to 2018, a special reserve shall be made based on the range of 0.5% to 1% of after-tax earning against the distributable earnings. According to the decree under Jin-Guan-Bao-Cai-Zi No. 10804932431 dated July 30, 2019, since the fiscal year of 2019, when disbursing related expenses, the insurance industry may reverse the same amount within the balance of the special reserve provided by the earnings of the fiscal years of 2016–2018.

According to the decree under Jin-Guan-Bao-Cai-Zi No. 10904939031 dated October 29, 2020, in order to build the insurance industry’s robust financial structure, the insurance industry shall, at the end of each fiscal year, set aside the special reserve equivalent to 10% of the balance after the total insurance premium calculated based on the insured value and days for the personal travel accidental death and permanent disability benefits policies sold in that year less 20% nominal tax rate, in accordance with the “Personal Travel Insurance Accidental Death and Permanent Disability Benefits Standard Rate Table.”

(V) Other equity

Unrealized valuation gain and losses on financial assets at fair value through other comprehensive income

	<u>2025</u>	<u>2024</u>
Balance - beginning of year	\$ 523,618	\$ 280,309
Those yielded in the current term		
Unrealized profit/loss		
Liability instruments	19,221	23,369
Equity instrument	121,328	366,033
Adjustment to the allowance		
loss of bond instrument	(58)	(112)
Other comprehensive profit (loss) for the period	<u>140,491</u>	<u>389,290</u>
The accumulated profit/loss by disposing equity instrument		
transferred to the retained earnings	(188,518)	(145,981)
Balance - end of year	<u>\$ 475,591</u>	<u>\$ 523,618</u>

XXI. Net Income from Continuing Operation

(I) Financial assets at fair value through profit (or loss)

	<u>2025</u>	<u>2024</u>
Gain or loss on disposals	(\$ 12,010)	\$ 24,850
Dividend	5,460	6,277
Gain (loss) on valuation		
Equity instrument	(27,078)	10,114
Liability instruments	<u>8,618</u>	<u>(33,326)</u>
	<u>(\$ 25,010)</u>	<u>\$ 7,915</u>

(II) Derecognition of net gain or loss on financial assets carried at amortized cost

	<u>2025</u>	<u>2024</u>
Gain or loss on disposals	(\$ 7,653)	\$ -

(III) Realized gain and losses on financial assets at fair value through other comprehensive income

	<u>2025</u>	<u>2024</u>
Dividend	\$ 142,112	\$ 246,564
Gain or loss on disposals	(2,792)	(35,488)
	<u>\$ 139,320</u>	<u>\$ 211,076</u>

(IV) Gain (loss) on investment properties

	<u>2025</u>	<u>2024</u>
Rental revenue from investment properties	\$ 122,793	\$ 131,627
Gain (loss) on disposal of investment properties	-	23,796
Direct operational expenses of investment properties	(23,650)	(33,795)
	<u>\$ 99,143</u>	<u>\$ 121,628</u>

(V) Expected credit losses and reversals of impairment losses on investments

	<u>2025</u>	<u>2024</u>
Bond instruments measured at fair value through other comprehensive income	\$ 58	\$ 112
Financial assets carried at amortized cost	<u>264</u>	<u>(104)</u>
	<u>\$ 322</u>	<u>\$ 8</u>

(VI) Gain (loss) of Foreign Currency Exchange

	2025	2024
Gain (loss) of investment exchange	(\$ 85,181)	\$ 99,340
Other gain (loss) of exchange	(1,596)	17,250
	<u>(\$ 86,777)</u>	<u>\$ 116,590</u>

(VII) Summary of nature of employee benefits, depreciation and amortization for the period

	2025			2024		
	Classified as operating cost	Classified as operating expense	Total	Classified as operating cost	Classified as operating expense	Total
Employee fringe benefit expenses	\$ 247,968	\$1,013,373	\$1,261,341	\$ 252,144	\$ 923,045	\$1,175,189
Salaries expense	247,968	818,340	1,066,308	252,144	740,246	992,390
Expenses for labor and health insurance	-	75,018	75,018	-	71,703	71,703
Pension expense	-	33,513	33,513	-	32,751	32,751
Remuneration to directors	-	65,231	65,231	-	59,088	59,088
Other employee fringe benefit expenses	-	21,271	21,271	-	19,257	19,257
Depreciation expense - Property and equipment	-	33,744	33,744	-	16,289	16,289
Depreciation expense - Investment properties	9,765	-	9,765	18,194	-	18,194
Depreciation expense - Right-of-use assets	-	25,019	25,019	-	25,978	25,978
Amortization expenses	-	6,961	6,961	-	7,604	7,604

Note 1: The number of employees for this year and the previous year is 920 and 933, respectively; among them, 11 directors did not serve as employees concurrently in both years.

Note 2: The average employee benefit expenses for the year and the previous year were NT\$1,316 thousand and NT\$1,211 thousand.

Note 3: The average employee salary expenses for the year and the previous year were NT\$1,173,000 and NT\$1,076,000.

Note 4: The average employee salary expense adjusted by (9.01%).

Note 5: The remuneration to the Company's directors (including independent directors) and managers shall be determined with reference to the Company's overall operating results, future business risks, and industry development trends, as well as their individual performance achievement rates and contributions to the Company. The related performance assessments and the reasonableness of salaries and remuneration have been reviewed and approved by the Remuneration Committee and the Board of Directors. Meanwhile, the

remuneration system will be reviewed from time to time, subject to the business overview and related laws, in order to balance the Company's sustainability and risk control. The remuneration to employees shall be defined based on the salary market's conditions, the Company's overview of operation and organizational structure, and in reference to the employees' academic background/work experience, professional knowledge and expertise, seniority and personal performance. Meanwhile, bonus will be distributed subject to the Company's operating performance and employees' personal performance.

(VIII) Compensation to Employees and Remuneration to Directors

Based on the Articles of Incorporation, the Company allocated the remuneration to employees and directors at 1~5% and no more than 5% of the pre-tax profit before reduction of the remuneration to employees and directors in the year. No independent directors were allowed to participate in the allocation of remuneration to directors. According to the amendment to the Securities and Exchange Act in August 2024, the Company has passed a resolution at the 2025 shareholders' meeting to amend the Articles of Incorporation, stipulating that no less than 20% of the employee remuneration for the year will be distributed to entry-level employees. The estimated employees' compensation and directors' remuneration for 2025 and 2024 are respectively resolved by the Board of Directors on March 6, 2026 and March 7, 2025, as the following:

Percentage of estimation

	<u>2025</u>	<u>2024</u>
Employee Compensation	2.4984%	2.4976%
Directors' Remuneration	2.4984%	2.4976%

Amount

	<u>2025</u>	<u>2024</u>
Employee Compensation	<u>\$ 40,335</u>	<u>\$ 36,259</u>
Directors' Remuneration	<u>\$ 40,335</u>	<u>\$ 36,259</u>

Should there be any change to the annual financial report after the reporting date, the differences are recorded as a change in the accounting estimate and adjusted in next year.

The employees' compensation and directors' remuneration for 2024 and 2023 were resolved by the Board of Directors on March 7, 2025 and March 13, 2024, respectively, as follows:

	<u>2025</u>	<u>2024</u>
	<u>Cash</u>	<u>Cash</u>
Employee Compensation	<u>\$ 36,259</u>	<u>\$ 31,008</u>
Directors' Remuneration	<u>\$ 36,259</u>	<u>\$ 31,008</u>

The actual resolved amounts for the employees' compensation and directors' remuneration for 2024 and 2023 are not different from the amounts recognized in the financial statement of 2024 and 2023.

For the information about remuneration of employees and directors resolved by the Board of Directors, please check the "Market Observation Post System" at TWSE.

XXII. Income Tax of the Units in Continued Business Operation

(I) Income tax recognized in profit and/or loss

The primary components of income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Income tax for the current		
Incurred in the year	\$ 301,707	\$ 196,828
Additional business profit tax levied on unappropriated retained earnings	4,964	4,263
Adjustment of previous year(s)	(<u>524</u>)	(<u>121</u>)
	306,147	200,970
Deferred income tax		
Incurred in the year	(<u>14,934</u>)	<u>15,931</u>
The income tax expenses recognized in profit and/or loss	<u>\$ 291,213</u>	<u>\$ 216,901</u>

The reconciliations of accounting incomes and income tax expense are as follows:

	<u>2025</u>	<u>2024</u>
Net Income before income tax from continuing operation	<u>\$ 1,533,790</u>	<u>\$ 1,379,230</u>
The income tax expense for the pre-tax net profit is calculated based on the mandatory tax rates	\$ 306,758	\$ 275,846
Loss in expense which could not be reduced from tax	5	337
Exempted from income tax	(18,518)	(63,261)
Additional business profit tax levied on unappropriated retained earnings	4,964	4,263
Temporary difference not recognized.	(1,571)	(163)
No tax credit is available for withholding tax on foreign income.	99	-

Adjustment from utilizing the current income tax expense of the previous year to the year.	(<u>524</u>)	(<u>121</u>)
The income tax expenses recognized in profit and/or loss	<u>\$ 291,213</u>	<u>\$ 216,901</u>

(II) Income tax recognized under other comprehensive income

	<u>2025</u>	<u>2024</u>
<u>Deferred income tax</u>		
Incurred in the year		
— Remeasurement of defined benefit plans	(<u>\$ 798</u>)	<u>\$ 2,169</u>

(III) Income tax liabilities of the period

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Income tax liabilities of the period		
Income tax payable	<u>\$ 191,403</u>	<u>\$ 86,088</u>

(IV) Deferred income tax assets and liabilities

The deferred income tax assets and liabilities show the following changes:

2025

	<u>Balance - beginning of year</u>	<u>Recognized into profit and/or loss</u>	<u>Recognized under other comprehensiv e income</u>	<u>Balance - end of year</u>
<u>DEFERRED INCOME TAX ASSETS</u>				
Temporary difference				
Excesses of allowance for losses	\$ 8,805	(\$ 2,165)	\$ -	\$ 6,640
Pension exclusions	297	(297)	-	-
Loss in actuarial calculation of ascertained fringe benefits	<u>7,749</u>	<u>-</u>	<u>798</u>	<u>8,547</u>
	<u>\$ 16,851</u>	(<u>\$ 2,462</u>)	<u>\$ 798</u>	<u>\$ 15,187</u>
<u>DEFERRED INCOME TAX LIABILITIES</u>				
Temporary difference				
Land revaluation increment	\$ 264,150	\$ -	\$ -	\$ 264,150
Unrealized foreign exchange gains	25,106	(17,785)	-	7,321
Pension contribution	<u>-</u>	<u>389</u>	<u>-</u>	<u>389</u>
	<u>\$ 289,256</u>	(<u>\$ 17,396</u>)	<u>\$ -</u>	<u>\$ 271,860</u>

2024

	Balance - beginning of year	Recognized into profit and/or loss	Recognized under other comprehensiv e income	Balance - end of year
<u>DEFERRED INCOME TAX ASSETS</u>				
Temporary difference				
Excesses of allowance for losses	\$ 9,158	(\$ 353)	\$ -	\$ 8,805
Pension exclusions	1,729	(1,432)	-	297
Loss in actuarial calculation of ascertained fringe benefits	9,918	-	(2,169)	7,749
	<u>\$ 20,805</u>	<u>(\$ 1,785)</u>	<u>(\$ 2,169)</u>	<u>\$ 16,851</u>
<u>DEFERRED INCOME TAX LIABILITIES</u>				
Temporary difference				
Land revaluation increment	\$ 264,150	\$ -	\$ -	\$ 264,150
Unrealized foreign exchange gains	10,960	14,146	-	25,106
	<u>\$ 275,110</u>	<u>\$ 14,146</u>	<u>\$ -</u>	<u>\$ 289,256</u>

(V) Verification of income tax

The Company's profit-seeking enterprise income tax returns through 2023 have been examined and approved by the tax authority.

XXIII. Earnings Per Share (EPS)

	2025	2024
Basic EPS	<u>\$ 3.91</u>	<u>\$ 3.21</u>
Diluted EPS	<u>\$ 3.90</u>	<u>\$ 3.20</u>

The average amounts of shares for calculating the net profit of EPS and the average weighted of common shares are as follows:

Net Profit for the Period

	2025	2024
Net profit attributed to the shareholders of the Company/ Net profit used to calculate EPS	<u>\$ 1,242,577</u>	<u>\$ 1,162,329</u>
Net profit attributed to the shareholders of the Company/ Net profit used to calculate diluted EPS	<u>\$ 1,242,577</u>	<u>\$ 1,162,329</u>

<u>Share(s)</u>	Unit: thousand shares	
	<u>2025</u>	<u>2024</u>
The weighted average number of common shares to be used to calculate basic earnings per share (EPS)	317,843	362,200
Potential impact of common stock with dilution:		
Employee compensation	<u>1,009</u>	<u>1,480</u>
The weighted average number of common shares to be used to calculate diluted earnings per share (EPS)	<u>318,852</u>	<u>363,680</u>

If the Company may opt to release the employees' compensation in shares or cash, the calculation of diluted EPS assumes the employees' compensation is released in shares, and included the weighted average outstanding shares when such common shares have diluting effect, to calculate the diluted EPS. When calculating the diluted EPS before resolving the amount of shares to be released as the employees' compensation in the next year, the diluting effects of such potential common shares are taken into account still.

XXIV. Capital risk management

The ratio of self-owned capital to the risk capital, defined by the "Regulations Governing Capital Adequacy of Insurance Companies." The Company applies the ratio of capital adequacy as the managerial benchmark of capital adequacy.

The basic goal of the self-owned capital management of the Company is that the self-owned capital of the Company shall be sufficient to meet the regulatory capital requirement, as well as the minimum mandatory ratio of capital adequacy. Regarding the provision calculation of the qualified self-owned capital, the regulations of the competent authorities shall be followed. To cause the Company owns sufficient capitals to assume various risks, the needed capitals shall be evaluated based on the risk portfolios faced by the Company and their risk characteristics, and the optimization of the resource allocation shall be achieved by executing risk management via resource allocation.

XXV. Financial Instruments

(I) Information on fair value – financial instruments other than those at fair value

December 31, 2025

		Fair Value				
	Carrying amount	Level 1	Level 2	Level 3	Total	
<u>Financial assets</u>						
Financial assets carried at amortized cost						
— Domestic financial bonds	\$ 649,907	\$ -	\$ 460,610	\$ 199,576	\$ 660,186	
— Domestic corporate bonds	2,299,975	-	193,782	2,134,917	2,328,699	
— Overseas corporate bonds	348,918	-	359,436	-	359,436	

December 31, 2024

		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>					
Financial assets carried at amortized cost					
— Domestic financial bonds	\$ 649,814	\$ -	\$ 458,635	\$ 197,963	\$ 656,598
— Domestic corporate bonds	2,297,653	-	190,392	2,088,457	2,278,849
— Overseas corporate bonds	331,543	-	314,424	-	314,424

Said Level 2 and Level 3 fair value measurements are based on the cash flow discount method, and the formula price of TPEX or Bloomberg formula price. Among other things, the material unobservable input adopted by the Level 3 fair value measurement refers to the discount factor (yield), which is obtained by considering the premium reward of risks and the reference interest rate of corporate bonds.

(II) Information on fair value – financial instruments at fair value

1. Level of fair value

December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
TWSE/GTSM listed shares	\$ 64,544	\$ -	\$ -	\$ 64,544
Unlisted domestic shares	-	-	167,139	167,139
Funds and Beneficiary certificates	60,442	-	104,042	164,484
Domestic financial bonds	-	-	907,476	907,476
Overseas financial bonds	-	192,533	-	192,533
Domestic corporate bonds	-	-	500,100	500,100
Total	<u>\$ 124,986</u>	<u>\$ 192,533</u>	<u>\$ 1,678,757</u>	<u>\$ 1,996,276</u>

Financial assets at fair value through other comprehensive income

Investments in equity instruments				
— TWSE/GTSM listed shares (Note)	\$ 3,382,925	\$ -	\$ -	\$ 3,382,925
— Unlisted domestic shares	-	-	203,280	203,280

Investments in liability instruments				
— Domestic government bonds	-	567,852	-	567,852
— Domestic financial bonds	-	59,810	-	59,810
— Domestic corporate bonds	-	100,389	-	100,389
— Overseas corporate bonds	-	310,909	-	310,909
— Overseas financial bonds	-	-	156,943	156,943
Total	<u>\$ 3,382,925</u>	<u>\$ 1,038,960</u>	<u>\$ 360,223</u>	<u>\$ 4,782,108</u>

December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
TWSE/GTSM listed shares	\$ 41,986	\$ -	\$ -	\$ 41,986
Unlisted domestic shares	-	-	157,912	157,912
Funds and Beneficiary certificates	303,974	-	54,158	358,132
Domestic financial bonds	-	-	959,816	959,816
Overseas financial bonds	-	203,044	-	203,044
Domestic corporate bonds	-	-	497,714	497,714
Total	<u>\$ 345,960</u>	<u>\$ 203,044</u>	<u>\$ 1,669,600</u>	<u>\$ 2,218,604</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investments in equity instruments				
— TWSE/GTSM listed shares (Note)	\$ 3,566,659	\$ -	\$ -	\$ 3,566,659
— Unlisted domestic shares	-	-	264,700	264,700
Investments in liability instruments				
— Domestic government bonds	-	566,156	-	566,156
— Domestic financial bonds	-	59,136	-	59,136
— Domestic corporate bonds	-	100,160	-	100,160
— Overseas corporate bonds	-	469,207	-	469,207
— Overseas financial bonds	-	-	163,736	163,736
Total	<u>\$ 3,566,659</u>	<u>\$ 1,194,659</u>	<u>\$ 428,436</u>	<u>\$ 5,189,754</u>

Note: Including common stock and special stock.

There was no transfer between fair value measurement level 1 and level 2 in 2025 and 2024.

2. Reconciliation for the financial instruments measured at fair value level 3

2025

Financial assets	Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income		Total
	Liability instruments	Equity instrument	Beneficiary certificates	Liability instruments	Equity instrument	
Balance - beginning	\$ 1,457,530	\$ 157,912	\$ 54,158	\$ 163,736	\$ 264,700	\$ 2,098,036
Recognized in profit/loss (profit/loss on financial assets and liabilities at fair value through profit or loss)	5,046	9,227	(10,487)	-	-	3,786
Recognized into income – exchange profit and/or loss	-	-	-	(6,800)	-	(6,800)
Recognized in other comprehensive profit/loss (unrealized profit/loss at fair value through other comprehensive income)	-	-	-	7	(49,380)	(49,373)
Purchase	-	-	70,000	-	-	70,000
Others (Note)	(55,000)	-	(9,629)	-	(12,040)	(76,669)
Balance - ending	<u>\$ 1,407,576</u>	<u>\$ 167,139</u>	<u>\$ 104,042</u>	<u>\$ 156,943</u>	<u>\$ 203,280</u>	<u>\$ 2,038,980</u>
Other unrealized gain/loss of the current period recognized into the profit and/or loss	<u>\$ 5,046</u>	<u>\$ 9,227</u>	<u>(\$ 10,487)</u>	<u>(\$ 6,800)</u>	<u>\$ -</u>	<u>(\$ 3,014)</u>

2024

Financial assets	Financial assets at fair value through profit or loss			Financial assets at fair value through other comprehensive income		Total
	Liability instruments	Equity instrument	Beneficiary certificates	Liability instruments	Equity instrument	
Balance - beginning	\$ 1,745,195	\$ 161,358	\$ 51,391	\$ 153,396	\$ 360,661	\$ 2,472,001
Recognized in profit/loss (profit/loss on financial assets and liabilities at fair value through profit or loss)	(7,665)	(3,446)	(962)	-	-	(12,073)
Recognized into income – exchange profit and/or loss	-	-	-	10,350	-	10,350
Recognized in other comprehensive profit/loss (unrealized profit/loss at fair value through other comprehensive income)	-	-	-	(10)	(86,692)	(86,702)
Purchase	-	-	12,000	-	-	12,000
Disposition	-	-	-	-	(670)	(670)
Others (Note)	(280,000)	-	(8,271)	-	(8,599)	(296,870)
Balance - ending	<u>\$ 1,457,530</u>	<u>\$ 157,912</u>	<u>\$ 54,158</u>	<u>\$ 163,736</u>	<u>\$ 264,700</u>	<u>\$ 2,098,036</u>
Other unrealized gain/loss of the current period recognized into the profit and/or loss	<u>(\$ 7,665)</u>	<u>(\$ 3,446)</u>	<u>(\$ 962)</u>	<u>\$ 10,350</u>	<u>\$ -</u>	<u>(\$ 1,723)</u>

Note: Primarily as result of the repayment of stock payment upon capital reduction and repayment of the principal of the bond instruments when due.

3. The evaluation skills and inputs for Level 2 fair value measurement

Categories of financial instruments	Evaluation skills and inputs
Domestic and foreign bond investments	Cash Flow Discount Method: Discounting Based on the Market Interest Rate Reflecting the Similar Products of the Issuers at the End of Period and the Credit Rating. The quotation from the sources, such as TPEx, Bloomberg or other markets, is adopted.

4. The evaluation skills and inputs for Level 3 fair value measurement

Categories of financial instruments	Evaluation skills and inputs
Domestic and foreign bond investments	Based on cash flow discount approach, the present value of incomes to be obtained by holding the investment. The material unobservable input is the discount factor (yield), is obtained by considering the premium reward of risks and the reference interest rate of corporate bonds.
Investments in unlisted domestic shares and beneficiary certificates	Based on the asset-based approach, reflect the entire value of the enterprise or business in terms of the total market values for the individual assets and liabilities applicable to the evaluated subject. The material unobservable input is the liquidity discount, minority interest discount, and financial information of the investees.

The Company's measurement of the fair value of financial instruments is reasonable; however, if different evaluation models or parameters are applied, the outcome of evaluations may be different. For the financial instrument classified as Level 3, the effects to market value when evaluation parameters change are as follows:

Item	Inputs value	Ranges	Upward or downward changes	Effect of changes in fair value	
				Positive change	Negative change
<u>December 31, 2025</u>					
<u>ASSETS</u>					
Bond investment	Discount rate	2.24%~4.91%	100 BP change upward	\$ -	(\$ 314,170)
Stock investment	Financial Information of the Investees	\$ 8,813	5% change downward	-	(275)
	Liquidity Discount	10%	10% change upward	-	(41,158)
	Minority Interest Discount	10%	10% change upward	-	(41,158)
Beneficiary certificates	Financial Information of the Investees	\$ 64,516	5% change downward	-	(1,766)
	Liquidity Discount	10%	10% change upward	-	(10,454)
	Minority Interest Discount	10%	10% change upward	-	(10,454)
<u>December 31, 2024</u>					
<u>ASSETS</u>					
Bond investment	Discount rate	2.30%~4.96%	100 BP change upward	-	(328,297)
Stock investment	Financial Information of the Investees	\$ 8,982	5% change downward	-	(351)
	Liquidity Discount	10%	10% change upward	-	(47,186)
	Minority Interest Discount	10%	10% change upward	-	(47,186)
Beneficiary certificates	Financial Information of the Investees	\$ 54,158	5% change downward	-	(1,695)
	Liquidity Discount	10%	10% change upward	-	(6,018)
	Minority Interest Discount	10%	10% change upward	-	(6,018)

The positive and negative changes of the Company refer to the fluctuation of the fair value; the fair value is obtained by calculating with the evaluation skills of the unobservable input parameters at different degrees.

Shall the financial instrument is affected by one or more inputs, the table above only reflect the effect incurred from one single input change, without considering the relativeness and variability among inputs.

(III) Categories of financial instruments

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Financial assets</u>		
At fair value through profit and loss	\$ 1,996,276	\$ 2,218,604
Financial assets carried at amortized cost (Note 1)	11,002,642	12,267,128
At fair value through other comprehensive income		
Investments in equity instruments	3,586,205	3,831,359
Investments in liability instruments	628,051	792,239
<u>Financial liabilities</u>		
At amortized cost (Note 2)	1,424,056	1,296,007

Note 1: The balance includes the financial assets at amortized costs, such as cash and cash equivalents, investment in bond investments, note receivables, premium receivables, other receivables, claim recoverable from reinsurers, due from reinsurers and ceding companies, other financial assets – net, and refundable deposits.

Note 2: The balance includes financial liabilities at amortized costs, such as the claims payable, commissions payable, due to reinsurers and ceding companies, other payable, and refundable deposit.

(IV) The objectives and policies of financial risk management

The major financial instruments of the Company include the equity and bond instrument investment, receivables, and payables. The financial management department of the Company supervises, and manages the financial risks related to the Company's operation based on internal risk report analyzing the degrees and breadth of exposures. Such risks include market risks (including foreign exchange risks, interest rate risks, and other price risks), credit risks and liquidity risks. The Risk Management Committee, subordinated to the Board of Directors, established by the Company is the

independent organization established solely for supervising risks and policy implementation to reduce exposures.

1. Market risk

The operating activities of the Company cause the Company to assuming the major financial risks as the risk of foreign exchange change (refer to following (1)) and the risk of interest rate change (refer to following (2)).

The Company's exposure to market risks of financial instruments, and approaches toward managing and measuring such exposures have not changed.

(1) Foreign exchange rate risk

For the currency assets and currency liabilities denominated in non-functional currency on the balance sheet date, please refer to Note 31.

Analysis of sensitivity

The Company is mainly affected by the fluctuation of USD.

The following table explains in detail the analysis of sensitivity when the exchange rates of NT\$ (the functional currency) against other related foreign currencies increase or decrease 1%. 1% is the sensitivity percentage used when internally reporting the exchange rate risks to the major management, as well as represents the evaluation for the reasonably possible extent of changes of foreign exchange by the management. The analysis of sensitivity only includes the outstanding foreign currency items, and the translation at the end of period is adjusted at 1% of exchange rate change. The positive figures in the following table are the amount increased for the pre-tax net profit or equity when NTD against the related currencies depreciate by 1%; when NTD against the related currencies appreciate by 1%, the effects to the pre-tax net profit or equity will be negative at the same amount.

	Effects from USD		Effects from RMB	
	2025	2024	2025	2024
Profit and loss (i)	\$ 11,358	\$ 12,455	\$ 794	\$ 773

(i) Mainly originated from the outstanding USD and RMB denominated financial instruments without being hedged against the cash flows.

(2) Interest rate risks

At the balance sheet date, the carrying amount of financial assets exposed to interest rates are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Interest rate risk with fair value		
— Financial assets	\$ 6,094,812	\$ 6,297,979

Analysis of sensitivity

The following analyses of sensitivity are determined based on the interest rate exposure of the non-derivative instruments at the balance sheet dates. When internally reporting the interest rates to the major management, the variable interest rates applied is the interest rates increase or decrease 100 base points, and also represent the evaluation for the reasonably possible extent of changes of interest rate by the management.

If the interest rate increases by 100 base points, while other variables are kept the same, the pre-tax net profit will decrease by NT\$312,272 thousand and NT\$326,824 thousand in 2025 and 2024, primarily as a result of the changes in the fair value of the Company's fixed-interest rate bond instruments at fair value through profit or loss, and other comprehensive income before tax in 2025 and 2024 decrease by NT\$52,822 thousand and NT\$66,166 thousand, respectively, primarily as a result of the changes in the fair value of the Company's fixed-interest rate bond instruments carried at fair value through other comprehensive income.

(3) Other Price Risks

The Company suffered the equity price risk arising from the investment in equity securities and beneficiary certificates.

Analysis of sensitivity

The following analyses of sensitivity are determined based on the price risk over equity securities and beneficiary certificates at the balance sheet dates.

If the equity price increased/dropped by 1%, the income before tax would have increased/decreased by NT\$3,962 thousand and NT\$5,580 thousand due to the increase/decrease in the fair value of financial assets at fair value through profit or loss from 2025 and 2024. The other comprehensive income would have increased/decreased by NT\$35,862 thousand and NT\$38,314 thousand due to the increase/decrease in the fair value of other financial assets at fair value through comprehensive income from 2025 and 2024.

2. Credit risk

Credit risk represents the potential loss that would be incurred by the Company if the counter-parties or third parties breached the contracts. The Company's financial instruments are affected by its credit risk concentration, component, contract amounts and other receivables. As the counterparties of the Company are the creditworthy financial institutions with low possibility of default, it is expect the material credit risk is unlikely.

Credit risk exposure - by territory

December 31, 2025

Financial assets	Taiwan	Asia	America	Others	Total
Cash and cash equivalents	\$ 3,350,105	\$ -	\$ -	\$ -	\$ 3,350,105
Financial assets at fair value through profit or loss	1,600,109	-	-	-	1,600,109
Financial assets at fair value through other comprehensive income	1,127,944	-	-	67,959	1,195,903
Financial assets carried at amortized cost	3,061,130	-	237,670	-	3,298,800
Total	\$ 9,139,288	\$ -	\$ 237,670	\$ 67,959	\$ 9,444,917
% by territory	96.76%	-	2.52%	0.72%	100%

December 31, 2024

Financial assets	Taiwan	Asia	America	Others	Total
Cash and cash equivalents	\$ 3,833,431	\$ -	\$ -	\$ -	\$ 3,833,431
Financial assets at fair value through profit or loss	1,660,574	-	-	-	1,660,574
Financial assets at fair value through other comprehensive income	1,131,234	-	94,613	132,548	1,358,395
Financial assets carried at amortized cost	3,005,060	-	273,950	-	3,279,010
Total	\$ 9,630,299	\$ -	\$ 368,563	\$ 132,548	\$10,131,410
% by territory	95.05%	-	3.64%	1.31%	100%

3. Liquidity risk

The Company maintained sufficient fund to meet our operating capital requirements. Therefore, no liquidity risks associated with failure to source required funding are anticipated.

Liquidity of non-derivative financial liabilities and statement of interest rate risk

The following Table shows the analysis on the remaining contractual maturity for the non-derivative financial liabilities for which the Company has agreed on the repayment term. It was prepared based on the earliest date the Company might be asked to make the repayment, as well as the undiscounted cash flow from the financial liabilities.

December 31, 2025

	On demand or shorter than 3 months	3 months – 1 year	1–5 years	More than 5 years
Liabilities without interest	\$ 1,098,143	\$ 10,329	\$ 15,838	\$ 19,466
Lease liabilities	4,898	18,830	32,213	-
	<u>\$ 1,103,041</u>	<u>\$ 29,159</u>	<u>\$ 48,051</u>	<u>\$ 19,466</u>

December 31, 2024

	On demand or shorter than 3 months	3 months – 1 year	1–5 years	More than 5 years
Liabilities without interest	\$ 1,022,624	\$ 11,867	\$ 13,313	\$ 15,136
Lease liabilities	4,719	18,630	26,941	-
	<u>\$ 1,027,343</u>	<u>\$ 30,497</u>	<u>\$ 40,254</u>	<u>\$ 15,136</u>

- (V) Based on Article 7 of the “Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms”, the unqualified counterparties for the ceding reinsurance of the Company by December 31, 2025 are as follows:

Counterparties of Reinsurance	Insurance type
Tugu Insurance Company Limited	Temporary ceding reinsurance for commercial fire insurance and marine hull insurance.
Asia Capital Reinsurance Group Pte Ltd	Temporary ceding reinsurance for commercial fire insurance and cargo reinsurance

The unqualified premium expense is NT\$ 0 thousand, the reserves for unqualified reinsurance is NT244 thousand, all belongs to the ceding claims reported but not claimed reserves.

Based on Article 7 of the “Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms”, the unqualified counterparties for the ceding reinsurance of the Company by December 31, 2024 are as follows:

Counterparties of Reinsurance	Insurance type
Tugu Insurance Company Limited	Temporary ceding reinsurance for commercial fire insurance, marine cargo insurance, and marine hull insurance.
Asia Capital Reinsurance Group Pte Ltd	Temporary ceding reinsurance for commercial fire insurance and aviation insurance, and cargo reinsurance.

The unqualified premium expense is NT\$ 0 thousand, the reserves for unqualified reinsurance is NT\$301 thousand, all belongs to the ceding claims reported but not claimed reserves.

XXVI. Transactions with Related Parties

(I) Information about the Company's related parties were as follows

Name of the Related Parties	Relationship with the Company
Bank of Taiwan Co., Ltd.	Major Management
Yong-Shin Development Co., Ltd.	Major Management
Tong-Sheng Development Co., Ltd.	Investor with significant effects
Navigator Real Estate Co., Ltd.	Investor with significant effects
Navigator Investment Co., Ltd.	Investor with significant effects
Taiwan Navigator Asset Investment Co., Ltd.	Related party in substance
Taiwan Business Bank, Ltd.	Related party in substance
Bank Taiwan Insurance Brokers Co., Ltd.	Related party in substance (extinguished after the merger with the Bank of Taiwan on August 1, 2025)
Taiming Assurance Broker Co., Ltd.	Related party in substance
Link-Aim Life Insurance Broker Co., Ltd.	Related party in substance
Sirtec International Co., Ltd.	Related party in substance
Hua Nan Commercial Bank, Ltd.	Related party in substance
Forland Auto Trade Holding Co., Ltd. Taipei Branch (Cayman)	Related party in substance
Taiwan Fire and Marine Foundation	Related party in substance
IBF Financial Holdings Co., Ltd.	Related party in substance
IBF Securities Co., Ltd.	Related party in substance
Wistron Corporation	Related party in substance (non-related party on May 30, 2024)
AcBel Polytech Inc.	Related party in substance
Wellpool Co., Ltd.	Related party in substance
Other related parties	Directors, supervisors, chairman, president, managers, their spouses, and the relatives within 2nd degree of kinship

(II) Significant related-party transactions were as follows

1. Deposit

Checking deposits and Demand deposits:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Major Management		
Bank of Taiwan Co., Ltd.	\$ 1,405,167	\$ 1,108,873
Related party in substance		
Taiwan Business Bank	74,783	77,932
Hua Nan Commercial Bank	<u>1,176</u>	<u>3,756</u>
	<u>\$ 1,481,126</u>	<u>\$ 1,190,561</u>

Time deposits (including cash and cash equivalents, and other financial assets listed in accounts):

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Major Management		
Bank of Taiwan Co., Ltd.	\$ 220,900	\$ 220,900
Related party in substance		
Taiwan Business Bank	<u>102,200</u>	<u>105,200</u>
	<u>\$ 323,100</u>	<u>\$ 326,100</u>

The above time deposits placed with related parties bore interest rates ranging from 0.40% to 1.70% as of December 31, 2025, and December 31, 2024, and the transaction terms were the same as those offered to non-related parties.

2. Premium income (direct policy writing)

	<u>2025</u>	<u>2024</u>
Major Management		
Bank of Taiwan Co., Ltd.	\$ 3,485	\$ 3,679
Related party in substance		
AcBel Polytech Inc.	6,727	4,840
IBF Financial Holdings		
Co., Ltd.	6,436	6,256
Taiwan Business Bank	3,427	2,947
Sirtec International Co.,		
Ltd.	1,795	1,464
Wistron Corporation	-	57,317
Other related parties	<u>12,993</u>	<u>8,839</u>
	<u>\$ 34,863</u>	<u>\$ 85,342</u>

The insurances to the abovementioned related parties provide the same insurance conditions to unrelated parties.

3. Claims (direct policy writing)

	<u>2025</u>	<u>2024</u>
Major Management		
Bank of Taiwan Co., Ltd.	\$ 739	\$ 44,281
Related party in substance		
IBF Securities Co., Ltd	321	-
WELLPOOL	66	-
Other related parties	<u>105</u>	<u>866</u>
	<u>\$ 1,231</u>	<u>\$ 45,147</u>

The insurances to the abovementioned related parties provide the same claim conditions to unrelated parties.

4. Commission expenditure

	<u>2025</u>	<u>2024</u>
Major Management		
Bank of Taiwan Co., Ltd.	\$ 17,655	\$ 2,057
Related party in substance		
Bank Taiwan Insurance Brokers Co., Ltd.	20,154	33,794
Taiming Assurance Broker Co., Ltd. (TABC)	13,579	14,399
Link-Aim Life Insurance Broker Co., Ltd.	1,406	1,266
Other related parties	<u>19,031</u>	<u>18,068</u>
	<u>\$ 71,825</u>	<u>\$ 69,584</u>

The insurances to the abovementioned related parties provide the same commission conditions to unrelated parties.

5. Lessor Agreement

Operating lease

The operating leases of the Company for the investment properties have the lease period of 1 to 10 years. When the lessees exercise the right of continual lease, the rents are agreed to be adjusted based on the market price. Upon the end of the leasehold duration, the lessees are not entitled to preferential lease right over the investment properties.

The future lease payments to be received are summarized as follows:

Type/Name of the Related Parties	December 31, 2025	December 31, 2024
Major Management		
Yong-Shin Development Co., Ltd.	\$ 264	\$ 396
Investor with significant effects		
Navigator Real Estate Co., Ltd.	643	965
Tong-Sheng Development Co., Ltd.	401	601
Navigator Investment Co., Ltd.	264	396
Related party in substance		
Taiwan Navigator Assets	1,572	2,358
Forland Auto Trade Holding Co., Ltd. Taipei Branch (Cayman)	936	1,404
Sirtec International Co., Ltd.	12,566	18,850
Taiming Assurance Broker Co., Ltd. (TABC)	16,057	26,342
	<u>\$ 32,703</u>	<u>\$ 51,312</u>

(1) The details of the rents received by leasing the investment properties to the related parties are as follows:

	2025	2024
Major Management		
Yong-Shin Development Co., Ltd.	\$ 126	\$ 126
Investor with significant effects		
Navigator Real Estate Co., Ltd.	307	307
Tong-Sheng Development Co., Ltd.	191	191
Navigator Investment Co., Ltd.	126	126
Related party in substance		
Taiwan Navigator Assets	751	750
Forland Auto Trade Holding Co., Ltd. Taipei Branch (Cayman)	447	447
Sirtec International Co., Ltd.	6,001	6,761
Taiming Assurance Broker Co., Ltd. (TABC)	9,809	9,642
	<u>\$ 17,758</u>	<u>\$ 18,350</u>

- (2) The deposits the Company received for leasing properties to the related parties as of December 31, 2025 and 2024 are as follows:

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Major Management		
Yong-Shin Development Co., Ltd.	\$ 20	\$ 20
Investor with significant effects		
Navigator Real Estate Co., Ltd.	48	48
Tong-Sheng Development Co., Ltd.	30	30
Navigator Investment Co., Ltd.	20	20
Related party in substance		
Forland Auto Trade Holding Co., Ltd. Taipei Branch (Cayman)	70	70
Taiwan Navigator Assets Sirtec International Co., Ltd.	118	118
Taiming Assurance Broker Co., Ltd. (TABC)	1,047	1,768
	<u>1,646</u>	<u>1,615</u>
	<u>\$ 2,999</u>	<u>\$ 3,689</u>

The abovementioned property leasing to the related parties provided the transaction conditions similar to ordinary transactions.

6. Lessee Agreement

<u>Type/Name of the Related Parties</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
<u>Right-of-use assets</u>		
Investor with significant effects		
Navigator Real Estate Co., Ltd.	<u>\$ 3,158</u>	<u>\$ 5,503</u>
<u>Lease liabilities</u>		
Investor with significant effects		
Navigator Real Estate Co., Ltd.	<u>\$ 3,321</u>	<u>\$ 5,725</u>

Type/Name of the Related Parties	2025	2024
<u>Interest expense</u>		
Investor with significant effects Navigator Real Estate Co., Ltd.	\$ <u>113</u>	\$ <u>175</u>
<u>Total amount of cash (outflow) of lease</u>		
Investor with significant effects Navigator Real Estate Co., Ltd.	\$ <u>2,517</u>	\$ <u>2,517</u>

Leasing properties from Navigator Real Estate Co., Ltd. that has significant effects provided the transaction conditions similar to ordinary transactions.

The Company has leased properties from Navigator Real Estate Co., Ltd. which has significant effects, the outstanding balance of paid deposit at December 31, 2025 and 2024 were both NT\$509 thousand.

7. Operating Expenses

(1) Other expenses

	2025	2024
Related party in substance Taiming Assurance Broker Co., Ltd. (TABCO)	\$ 117	\$ 102
IBF Securities Co., Ltd	<u>1,126</u>	<u>-</u>
	\$ <u>1,243</u>	\$ <u>102</u>

(2) Donation expense

	2025	2024
Related party in substance Taiwan Fire and Marine Foundation	\$ <u>8,000</u>	\$ <u>8,000</u>

To fulfill the CSR, enhance the quality of culture, cultivate talents, care for minorities, for the purpose of contributing to the country and the society, the Company has established the “Taiwan Fire and Marine Foundation” via donation upon the resolution of the Board of Directors, for promoting the related business.

(III) Incentive remuneration to key management level

The total remuneration of directors and other key management personnel for 2025 and 2024 is as follows:

	2025	2024
Short-term employee benefits	\$ 97,923	\$ 94,266
Post-employment benefits	<u>7,782</u>	<u>2,416</u>
	<u>\$ 105,705</u>	<u>\$ 96,682</u>

The salaries and remunerations to directors and other key management were determined by the Salary Committee in accordance with the personal performances and trends in the markets.

XXVII. Others

(I) Gross retained earned premium

- As of December 31, 2025, the balance of the gross retained earned premium for the compulsory and non-compulsory insurance, and the calculation are as follows:

Insurance type	Premium revenues (1)	Reinsurance premium revenues (2)	Reinsurance premium outward (3)	Premium retained (4)=(1)+(2)-(3)
Compulsory insurance	\$ 730,935	\$ 253,914	\$ 343,647	\$ 641,202
Non-Compulsory insurance	<u>8,762,644</u>	<u>238,847</u>	<u>3,163,343</u>	<u>5,838,148</u>
	<u>\$ 9,493,579</u>	<u>\$ 492,761</u>	<u>\$ 3,506,990</u>	<u>\$ 6,479,350</u>

Item	Unearned premium reserves for direct insurance		Unearned premium reserves for reinsurance inwards		Net change in unearned premium reserves (9)=(5)-(6)+(7) -(8)
	Reserve (5)	Recovery (6)	Reserve (7)	Recovery (8)	
Compulsory insurance	\$ 324,687	\$ 328,889	\$ 148,115	\$ 155,792	(\$ 11,879)
Non-Compulsory insurance	<u>3,558,145</u>	<u>3,368,631</u>	<u>129,670</u>	<u>121,093</u>	<u>198,091</u>
	<u>\$ 3,882,832</u>	<u>\$ 3,697,520</u>	<u>\$ 277,785</u>	<u>\$ 276,885</u>	<u>\$ 186,212</u>

Item	Unearned premium reserves for ceding reinsurance inward		Ceding net change in unearned premium reserves (12)=(10)-(11)	Gross retained earned premium (13)=(4)-(9)+(12)
	Reserve (10)	Recovery (11)		
Compulsory insurance	\$ 194,840	\$ 197,340	(\$ 2,500)	\$ 650,581
Non-Compulsory insurance	<u>892,139</u>	<u>743,068</u>	<u>149,071</u>	<u>5,789,128</u>
	<u>\$ 1,086,979</u>	<u>\$ 940,408</u>	<u>\$ 146,571</u>	<u>\$ 6,439,709</u>

Note: As of December 31, 2025, the provision for stable funds of the Company is NT\$17,352 thousand.

2. As of December 31, 2024, the balance of the gross retained earned premium for the compulsory and non-compulsory insurance, and the calculation are as follows:

Insurance type	Premium revenues (1)	Reinsurance premium revenues (2)	Reinsurance premium outward (3)	Premium retained (4)=(1)+(2)-(3)
Compulsory insurance	\$ 737,111	\$ 268,670	\$ 345,717	\$ 660,064
Non-Compulsory insurance	<u>8,136,708</u>	<u>234,603</u>	<u>2,789,019</u>	<u>5,582,292</u>
	<u>\$ 8,873,819</u>	<u>\$ 503,273</u>	<u>\$ 3,134,736</u>	<u>\$ 6,242,356</u>

Item	Unearned premium reserves for direct insurance		Unearned premium reserves for reinsurance inwards		Net change in unearned premium reserves (9)=(5)-(6)+(7) -(8)
	Reserve (5)	Recovery (6)	Reserve (7)	Recovery (8)	
Compulsory insurance	\$ 328,889	\$ 350,476	\$ 155,792	\$ 155,362	(\$ 21,157)
Non-Compulsory insurance	<u>3,394,571</u>	<u>3,258,012</u>	<u>125,555</u>	<u>114,695</u>	<u>147,419</u>
	<u>\$ 3,723,460</u>	<u>\$ 3,608,488</u>	<u>\$ 281,347</u>	<u>\$ 270,057</u>	<u>\$ 126,262</u>

Item	Unearned premium reserves for ceding reinsurance inward		Ceding net change in unearned premium reserves (12)=(10)-(9)+(11)	Gross retained earned premium (13)=(4)-(9)+(12)
	Reserve (10)	Recovery (11)		
Compulsory insurance	\$ 197,340	\$ 210,294	(\$ 12,954)	\$ 668,267
Non-Compulsory insurance	<u>755,519</u>	<u>709,286</u>	<u>46,233</u>	<u>5,481,106</u>
	<u>\$ 952,859</u>	<u>\$ 919,580</u>	<u>\$ 33,279</u>	<u>\$ 6,149,373</u>

Note: As of December 31, 2024, the provision for stable funds of the Company is NT\$16,239 thousand.

(II) Retained claims

1. As of December 31, 2025, the balance of the gross retained claims for the compulsory and non-compulsory insurance, and the calculation are as follows:

Insurance type	Claims (including the claim expenses) (1)	Claims for reinsurance (2)	Refundable Claims for Reinsurance (3)	Retained claims (4)=(1)+(2)-(3)
Compulsory insurance	\$ 533,239	\$ 244,444	\$ 316,785	\$ 460,898
Non-Compulsory insurance	<u>2,848,077</u>	<u>68,833</u>	<u>530,631</u>	<u>2,386,279</u>
	<u>\$ 3,381,316</u>	<u>\$ 313,277</u>	<u>\$ 847,416</u>	<u>\$ 2,847,177</u>

2. As of December 31, 2024, the balance of the gross retained claims for the compulsory and non-compulsory insurance, and the calculation are as follows:

Insurance type	Claims (including the claim expenses) (1)	Claims for reinsurance (2)	Refundable Claims for Reinsurance (3)	Retained claims (4)=(1)+(2)-(3)
Compulsory insurance	\$ 519,146	\$ 251,493	\$ 310,625	\$ 460,014
Non-Compulsory insurance	<u>2,944,200</u>	<u>93,657</u>	<u>527,009</u>	<u>2,510,848</u>
	<u>\$ 3,463,346</u>	<u>\$ 345,150</u>	<u>\$ 837,634</u>	<u>\$ 2,970,862</u>

(III) Unearned premium reserves

1. The balances of the retained unearned premium reserves for each insurance type as of December 31, 2025 are summarized as the followings:

Item	Unearned premium reserves		Ceding unearned premium reserves	Retained business
	Direct business	Reinsurance inward business	Ceding reinsurance business	
General Personal Automobile Liability Insurance	\$ 1,013,947	\$ -	\$ 166	\$ 1,013,781
General Personal Automobile Physical Damage Insurance	591,156	-	3,070	588,086
Engineering Insurance	367,812	56,999	261,890	162,921
Personal Accident Insurance	263,753	1,871	9,482	256,142
One-year Residential Fire Insurance	219,017	-	-	219,017
General Commercial Automobile Liability Insurance	165,842	-	978	164,864
Other Insurance (Note)	<u>1,398,173</u>	<u>233,885</u>	<u>868,244</u>	<u>763,814</u>
	4,019,700	292,755	1,143,830	3,168,625
Less: Accumulated impairment	-	-	-	-
	<u>\$ 4,019,700</u>	<u>\$ 292,755</u>	<u>\$ 1,143,830</u>	<u>\$ 3,168,625</u>

Note: The balance of each insurance type less than 5% of the total are stated collectively.

2. The balances of the retained unearned premium reserves for each insurance type as of December 31, 2024 are summarized as the followings:

Item	Unearned premium reserves		Ceding unearned premium reserves	Retained business
	Direct business	Reinsurance inward business	Ceding reinsurance business	
General Personal Automobile Liability Insurance	\$ 1,016,553	\$ -	\$ 221	\$ 1,016,332
General Personal Automobile Physical Damage Insurance	614,433	-	3,973	610,460
Personal Accident Insurance	271,558	1,906	11,175	262,289
One-year Residential Fire Insurance	211,597	-	-	211,597
Other Insurance (Note)	<u>1,720,247</u>	<u>289,949</u>	<u>981,890</u>	<u>1,028,306</u>
	3,834,388	291,855	997,259	3,128,984
Less: Accumulated impairment	-	-	-	-
	<u>\$ 3,834,388</u>	<u>\$ 291,855</u>	<u>\$ 997,259</u>	<u>\$ 3,128,984</u>

Note: the balance of each insurance type less than 5% of the total are stated collectively.

(IV) Claim reserves

1. As of December 31, 2025, the balance of the reported but not paid and unreported claim reserves, and the calculation are as follows:

(1) Claim reserves and ceding claims reserves

Item	Claim reserves		Ceded claims reserve and ceded reinsurance inward	Retained business (4)=(1)+(2)-(3)
	Direct Insurance (1)	Reinsurance inward business (2)		
Reported but not yet paid	\$ 3,718,417	\$ 222,821	\$ 1,835,824	\$ 2,105,414
Not yet reported	1,070,153	177,610	448,690	799,073
Less: Accumulated impairment	-	-	(17)	17
	<u>\$ 4,788,570</u>	<u>\$ 400,431</u>	<u>\$ 2,284,497</u>	<u>\$ 2,904,504</u>

(2) Ceding net change in claims reserves and net change in ceding claims reserves

Item	Direct Insurance		Reinsurance inward business		Net change in claims reserves (5)=(1)-(2)+(3)-(4)
	Reserve (1)	Recovery (2)	Reserve (3)	Recovery (4)	
Reported but not yet paid	\$ 3,718,417	\$ 3,153,729	\$ 222,821	\$ 239,014	\$ 548,495
Not yet reported	<u>1,070,153</u>	<u>1,004,353</u>	<u>177,610</u>	<u>174,220</u>	<u>69,190</u>
	<u>\$ 4,788,570</u>	<u>\$ 4,158,082</u>	<u>\$ 400,431</u>	<u>\$ 413,234</u>	<u>\$ 617,685</u>

Item	Ceding reinsurance business		Ceding net change in claims reserves (8)=(6)-(7)
	Reserve (6)	Recovery (7)	
Reported but not yet paid	\$ 1,835,824	\$ 1,263,576	\$ 572,248
Not yet reported	<u>448,690</u>	<u>413,519</u>	<u>35,171</u>
	<u>\$ 2,284,514</u>	<u>\$ 1,677,095</u>	<u>\$ 607,419</u>

2. As of December 31, 2024, the balance of the reported but not paid and unreported claim reserves, and the calculation are as follows:

(1) Claim reserves and ceding claims reserves

ITEM	Claim reserves		Ceded claims reserve and ceded reinsurance inward	Retained business(4)=(1)+(2)-(3)
	Direct Insurance (1)	Reinsurance inward business (2)		
Reported but not yet paid	\$ 3,153,729	\$ 239,014	\$ 1,263,576	\$ 2,129,167
Not yet reported	1,004,353	174,220	413,519	765,054
Less: Accumulated impairment	-	-	(25)	25
	<u>\$ 4,158,082</u>	<u>\$ 413,234</u>	<u>\$ 1,677,070</u>	<u>\$ 2,894,246</u>

(2) Ceding net change in claims reserves and net change in ceding claims reserves

Item	Direct Insurance		Reinsurance inward business		Net change in claims reserves (5)=(1)-(2)+(3)-(4)
	Reserve (1)	Recovery (2)	Reserve (3)	Recovery (4)	
Reported but not yet paid	\$ 3,153,729	\$ 2,415,696	\$ 239,014	\$ 227,281	\$ 749,766
Not yet reported	<u>1,004,353</u>	<u>911,960</u>	<u>174,220</u>	<u>164,925</u>	<u>101,688</u>
	<u>\$ 4,158,082</u>	<u>\$ 3,327,656</u>	<u>\$ 413,234</u>	<u>\$ 392,206</u>	<u>\$ 851,454</u>

Item	Ceding reinsurance business		Ceding net change in claims reserves (8)=(6)-(7)
	Reserve (6)	Recovery (7)	
Reported but not yet paid	\$ 1,263,576	\$ 767,884	\$ 495,692
Not yet reported	413,519	380,961	32,558
	<u>\$ 1,677,095</u>	<u>\$ 1,148,845</u>	<u>\$ 528,250</u>

(V) Premium deficiency reserves

- As of December 31, 2025, the balance of the premium deficiency reserves of each insurance type, and the calculation are as follows:

(1) Premium deficiency reserves and ceding premium deficiency reserves

Item	Premium deficiency reserves		Ceding premium deficiency reserves	
	Direct business	Reinsurance inward business	Ceding reinsurance business	Retained business
Marine Hull Insurance	\$ 4,122	\$ 15	\$ -	\$ 4,137
Aviation Insurance	2,767	32	-	2,799
Fishing Vessel Insurance	1,466	1	-	1,467
Marine Cargo Insurance	435	1	-	436
	<u>\$ 8,790</u>	<u>\$ 49</u>	<u>\$ -</u>	<u>\$ 8,839</u>

(2) Net change in premium deficiency reserves and ceding net change in premium deficiency reserves

Item	Direct Insurance		Reinsurance inward business		Net change in premium deficiency reserves for direct business and reinsurance inward (5)=(1)-(2)+(3) -(4)
	Reserve (1)	Recovery (2)	Reserve (3)	Recovery (4)	
Marine Hull Insurance	\$ 4,122	\$ 3,284	\$ 15	\$ 34	\$ 819
Aviation Insurance	2,767	2,635	32	28	136
Fishing Vessel Insurance	1,466	916	1	11	540
Marine Cargo Insurance	435	124	1	1	311
	<u>\$ 8,790</u>	<u>\$ 6,959</u>	<u>\$ 49</u>	<u>\$ 74</u>	<u>\$ 1,806</u>

Item	Ceding reinsurance business		Ceding net change in premium deficiency reserves (8)=(6)-(7)	Loss recognized under the net provision of premium deficiency reserves for the period (9)=(5)-(8)
	Reserve	Recovery		
Marine Hull Insurance	\$ -	\$ -	\$ -	\$ 819
Aviation Insurance	-	-	-	136
Fishing Vessel Insurance	-	-	-	540
Marine Cargo Insurance	-	-	-	311
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,806</u>

The abovementioned premium deficiency reserves does not apply discount when calculating.

2. As of December 31, 2024, the balance of the premium deficiency reserves of each insurance type, and the calculation are as follows:

(1) Premium deficiency reserves and ceding premium deficiency reserves

Item	Premium deficiency reserves		Ceding premium deficiency reserves	
	Direct business	Reinsurance inward business	Ceding reinsurance business	Retained business
Marine Hull Insurance	\$ 3,284	\$ 34	\$ -	\$ 3,318
Aviation Insurance	2,635	28	-	2,663
Fishing Vessel Insurance	916	11	-	927
Marine Cargo Insurance	124	1	-	125
	<u>\$ 6,959</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ 7,033</u>

(2) Net change in premium deficiency reserves and ceding net change in premium deficiency reserves

Item	Direct Insurance		Reinsurance inward business		Net change in premium deficiency reserves for direct business and reinsurance inward (5)=(1)-(2) +(3)-(4)
	Reserve (1)	Recovery (2)	Reserve (3)	Recovery (4)	
Marine Hull Insurance	\$ 3,284	\$ 1,931	\$ 34	\$ 33	\$ 1,354
Aviation Insurance	2,635	3,456	28	65	(858)
Fishing Vessel Insurance	916	835	11	20	72
Marine Cargo Insurance	124	-	1	-	125
	<u>\$ 6,959</u>	<u>\$ 6,222</u>	<u>\$ 74</u>	<u>\$ 118</u>	<u>\$ 693</u>

Item	Ceding reinsurance business		Ceding net change in premium deficiency reserves (8)=(6)-(7)	Loss recognized under the net provision of premium deficiency reserves for the period (9)=(5)-(8)
	Reserve (6)	Recovery (7)		
Marine Hull Insurance	\$ -	\$ -	\$ -	\$ 1,354
Aviation Insurance	-	-	-	(858)
Fishing Vessel Insurance	-	-	-	72
Marine Cargo Insurance	-	-	-	125
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 693</u>

The abovementioned premium deficiency reserves does not apply discount when calculating.

(VI) Special reserves

1. As of December 31, 2025, the special reserves for the compulsory and non-compulsory insurance increase/decrease as the following:

(1) Special reserves - Compulsory automobile liability insurance

Item	Amount
Balance - beginning	\$ 1,166,731
Provision for the period	61,131
Recovery of the Period	(1,006)
Balance - ending	<u>\$ 1,226,856</u>

(2) Special provision (special reserve) – non-compulsory automobile liability insurance

Item	Liabilities				Special reserve			
	Material accidents	Hazard changes	Others	Total	Material accidents	Hazard changes	Others	Total
Balance - beginning	\$ 134,727	\$ 588,650	\$ 230,305	\$ 953,682	\$ 772,277	\$ 1,458,893	\$ 676,922	\$ 2,908,092
Provision for the period	-	-	-	-	81,070	248,350	70,987	400,407
Recovery of the Period	(20,812)	-	-	(20,812)	-	(36,368)	-	(36,368)
Balance - ending	\$ 113,915	\$ 588,650	\$ 230,305	\$ 932,870	\$ 853,347	\$ 1,670,875	\$ 747,909	\$ 3,272,131

Note: The recovery of the special reserves under the previous liability refers to the special reserves provided for non-compulsory automobile liability insurance before January 1, 2011.

2. As of December 31, 2024, the special reserves for the compulsory and non-compulsory insurance increase/decrease as the following:

(1) Special reserves - Compulsory automobile liability insurance

Item	Amount
Balance - beginning	\$ 1,083,722
Provision for the period	89,118
Recovery of the Period	(6,109)
Balance - ending	<u>\$ 1,166,731</u>

(2) Special provision (special reserve) – non-compulsory automobile liability insurance

Item	Liabilities				Special reserve			
	Material accidents	Hazard changes	Others	Total	Material accidents	Hazard changes	Others	Total
Balance - beginning	\$ 153,734	\$ 599,144	\$ 230,305	\$ 983,183	\$ 694,850	\$ 1,347,450	\$ 651,160	\$ 2,693,460
Provision for the period	-	-	-	-	77,427	134,626	25,762	237,815
Recovery of the Period	(19,007)	(10,494)	-	(29,501)	-	(23,183)	-	(23,183)
Balance - ending	\$ 134,727	\$ 588,650	\$ 230,305	\$ 953,682	\$ 772,277	\$ 1,458,893	\$ 676,922	\$ 2,908,092

Note: The recovery of the special reserves under the previous liability refers to the special reserves provided for non-compulsory automobile liability insurance before January 1, 2011.

(VII) Details of balance sheet and income/cost of compulsory automobile liability insurance

1. Detailed balance sheet of compulsory automobile liability insurance

Item	Amount		Item	Amount	
	December 31, 2025	December 31, 2024		December 31, 2025	December 31, 2024
ASSETS			Liabilities		
Cash and Bank deposits	\$ 1,925,660	\$ 1,817,155	Notes payable	\$ -	\$ -
Cash Equivalents	-	-	Claims payable	-	-
Notes receivable	14,274	15,849	Reinsurance benefits and claims payable	-	-
Premiums receivable	20,330	20,472	Due to reinsurers and ceding companies	40,250	55,559
Less benefits & claims recovered from reinsurers	26,867	20,953	Unearned premium reserves	472,802	484,681
Due from reinsurers and ceding companies	42,944	46,045	Claim reserves	715,066	701,053
Other receivables	-	-	Special reserves	1,226,856	1,166,731
Financial assets at fair value through other comprehensive income	-	-	Temporary received and payment to be carried over	69,499	114
Ceding unearned premium reserves	194,840	197,340	Other liabilities	1,831	1,421
Ceding claims reserves	300,952	288,388			
Temporary paid and payment to be carried over	437	3,357			
Other assets	-	-			
Total assets	\$ 2,526,304	\$ 2,409,559	Total liabilities	\$ 2,526,304	\$ 2,409,559

2. Detailed income/cost statement of compulsory automobile liability insurance

Item	2025	2024
Operating Revenues		
Premium income (including reinsurance premium income of \$253,914,000 and \$268,670,000 respectively)	\$ 826,580	\$ 844,851
Less: Reinsurance premium outward	(343,647)	(345,717)
Net change in unearned premium reserves	9,379	8,203
Retained earned premium	492,312	507,337
Interest income	19,834	18,086
Total operating revenues	\$ 512,146	\$ 525,423
Operating Costs		
Claims (including claims for reinsurance NT\$244,444 thousand and NT\$251,493 thousand respectively)	\$ 777,683	\$ 770,639
Less: Claim recovered from reinsurer	(316,785)	(310,625)
Retained claims	460,898	460,014
Net change in claims reserves	1,449	259
Net change in special reserves (Note)	60,125	83,009
Total operating costs	\$ 522,472	\$ 543,282

Note: According to the Order Jin-Guan-Bao-Chan-Zi No. 11004107771, as of April 1, 2021, non-life insurance enterprises shall contribute NT\$30 from the service expenses of the insured per insurance contract as the reserve on a monthly basis.

According to the Order Jin-Guan-Bao-Chan-Zi No. 11304922071, as of October 1, 2024, non-life insurance enterprises shall contribute NT\$15 from the service expenses of the insured per insurance contract as the reserve on a

monthly basis. The Order Jin-Guan-Bao-Chan-Zi No. 11004107771 shall be abolished on the same date.

(VIII) Acquisition Cost of Insurance Contracts

1. As of December 31, 2025, the amount of the insurance contracts at each insurance category and the calculations are as follows:

ITEM	Commission expenditure	Fee expenditure	Reinsurance commission expenditure	Other cost	Total
General Personal Automobile Liability Insurance	\$ 247,218	\$ -	\$ -	\$ 4,277	\$ 251,495
General Personal Automobile Physical Damage Insurance	157,552	-	-	848	158,400
Personal Accident Insurance	121,654	-	-	70	121,724
One-year Residential Fire Insurance	63,049	-	-	11,178	74,227
One-year Commercial Fire Insurance	72,482	-	206	-	72,688
General Liability Insurance	59,633	-	-	-	59,633
Other Insurance (Note)	294,985	87,464	22,965	12	405,426
	<u>\$ 1,016,573</u>	<u>\$ 87,464</u>	<u>\$ 23,171</u>	<u>\$ 16,385</u>	<u>\$ 1,143,593</u>

Note: The balance of each insurance type less than 5% of the total are stated collectively.

The acquisition costs of the said insurance contracts are not recognized as deferred.

2. As of December 31, 2024, the amount of the insurance contracts at each insurance category and the calculations are as follows:

Item	Commission expenditure	Fee expenditure	Reinsurance commission expenditure	Other cost	Total
General Personal Automobile Liability Insurance	\$ 237,690	\$ -	\$ -	\$ 4,345	\$ 242,035
General Personal Automobile Physical Damage Insurance	157,721	-	-	875	158,596
Personal Accident Insurance	114,544	-	-	73	114,617
One-year Residential Fire Insurance	61,093	-	-	10,858	71,951
One-year Commercial Fire Insurance	66,224	-	674	-	66,898
Compulsory Automobile Liability Insurance	-	55,632	-	-	55,632
General Liability Insurance	54,522	-	-	-	54,522
Other Insurance (Note)	242,742	33,549	20,968	13	297,272
	<u>\$ 934,536</u>	<u>\$ 89,181</u>	<u>\$ 21,642</u>	<u>\$ 16,164</u>	<u>\$ 1,061,523</u>

Note: The balance of each insurance type less than 5% of the total are stated collectively.

The acquisition costs of the said insurance contracts are not recognized as deferred.

(IX) Analysis for business profit and loss

1. The amount of the profits and losses at each insurance category and the calculations for 2025 are as follows:

(1) Direct Insurance

Item	Premium revenues (1)	Net change in unearned premium reserves (2)	Acquisition Cost of Insurance Contracts (3)	Claims (including the claim expenses) (4)	Net change in claims reserves (5)	Profit (loss) of Insurance (6)=(1)-(2)-(3)-(4)-(5)
General Personal Automobile Liability Insurance	\$ 1,924,070	(\$ 2,606)	\$ 251,495	\$ 995,518	\$ 31,138	\$ 648,525
Residential Earthquake Insurance	676,125	-	40,010	-	-	636,115
One-year Commercial Fire Insurance	873,248	20,316	72,482	301,964	(134,841)	613,327
General Personal Automobile Physical Damage Insurance	1,126,476	(23,277)	158,400	556,149	(4,848)	440,052
Personal Accident Insurance	697,027	(7,805)	121,724	234,468	20,274	328,366
Commercial earthquake insurance	282,538	5,786	17,257	114,687	(170,303)	315,111
One-year Residential Fire Insurance	373,619	7,420	74,227	44,468	(11,994)	259,498
Marine Cargo Insurance	426,449	7,709	42,853	44,785	81,935	249,167
General Liability Insurance	438,307	15,094	59,633	105,274	20,913	237,393
Other Insurance (Note)	<u>2,675,720</u>	<u>162,675</u>	<u>282,341</u>	<u>984,003</u>	<u>798,214</u>	<u>448,487</u>
	<u>\$ 9,493,579</u>	<u>\$ 185,312</u>	<u>\$ 1,120,422</u>	<u>\$ 3,381,316</u>	<u>\$ 630,488</u>	<u>\$ 4,176,041</u>

(2) Reinsurance assumed

Insurance type	Reinsurance premium revenues (1)	Net change in unearned premium reserves (2)	Reinsurance commission expenditure (3)	Claims for reinsurance (4)	Net change in claims reserves (5)	Profit (loss) of reinsurance inward (6)=(1)-(2)-(3)-(4)-(5)
Residential Earthquake Insurance	\$ 88,028	\$ 504	\$ -	\$ 2,012	(\$ 285)	\$ 85,797
One-year Commercial Fire Insurance	19,848	(2,625)	206	15,386	(26,024)	32,905
Commercial earthquake insurance	27,470	(168)	2,044	1,993	2,493	21,108
Compulsory Automobile Liability Insurance	131,781	(4,299)	-	126,439	(3,792)	13,433
Other Insurance (Note)	<u>225,634</u>	<u>7,488</u>	<u>20,921</u>	<u>167,447</u>	<u>14,805</u>	<u>14,973</u>
	<u>\$ 492,761</u>	<u>\$ 900</u>	<u>\$ 23,171</u>	<u>\$ 313,277</u>	<u>(\$ 12,803)</u>	<u>\$ 168,216</u>

(3) Ceding reinsurance business

Insurance type	Reinsurance premium outward (1)	Ceding net change in unearned premium reserves (2)	Reinsurance commission income and fee (3)	Refundable Claims for Reinsurance (4)	Ceding net change in claims reserves (5)	Loss (gain) of Ceding reinsurance (6)=(1)-(2)-(3)-(4)-(5)
Residential Earthquake Insurance	\$ 676,125	\$ -	\$ 68,138	\$ -	\$ -	\$ 607,987
One-year Commercial Fire Insurance	632,101	11,617	138,042	208,135	(91,323)	365,630
Commercial earthquake insurance	201,182	2,213	18,160	55,717	(118,510)	243,602
Marine Cargo Insurance	340,594	7,536	34,364	36,587	62,811	199,296
Typhoon and Flood Insurance	145,099	123	14,583	9,962	18,564	101,867
General Liability Insurance	249,800	7,089	66,273	71,999	28,001	76,438
Other Insurance (Note)	<u>1,262,089</u>	<u>117,993</u>	<u>106,666</u>	<u>465,016</u>	<u>707,876</u>	<u>(135,462)</u>
	<u>\$ 3,506,990</u>	<u>\$ 146,571</u>	<u>\$ 446,226</u>	<u>\$ 847,416</u>	<u>\$ 607,419</u>	<u>\$ 1,459,358</u>

Note: the balance of each insurance type less than 5% of the total are stated collectively.

2. The amount of the profits and losses at each insurance category and the calculations for 2024 are as follows:

(1) Direct Insurance

Item	Premium revenues (1)	Net change in unearned premium reserves (2)	Acquisition Cost of Insurance Contracts (3)	Claims (including the claim expenses) (4)	Net change in claims reserves (5)	Profit (loss) of Insurance (6)=(1)-(2)-(3)-(4)-(5)
General Personal Automobile Liability Insurance	\$ 1,925,530	\$ 38,923	\$ 242,035	\$ 1,071,444	\$ 40,714	\$ 532,414
Residential Earthquake Insurance	640,701	-	38,560	116,950	-	485,191
One-year Commercial Fire Insurance	839,082	31,848	66,224	209,917	79,237	451,856
General Personal Automobile Physical Damage Insurance	1,158,318	24,629	158,596	637,624	(11,217)	348,686
Personal Accident Insurance	662,282	(1,956)	114,617	266,280	277	283,064
General Liability Insurance	401,374	17,432	54,522	87,395	30,243	211,782
Marine Cargo Insurance	326,051	(20,733)	28,418	25,688	83,073	209,605
Other Insurance (Note)	<u>2,920,481</u>	<u>24,829</u>	<u>336,909</u>	<u>1,048,048</u>	<u>608,099</u>	<u>902,596</u>
	<u>\$ 8,873,819</u>	<u>\$ 114,972</u>	<u>\$ 1,039,881</u>	<u>\$ 3,463,346</u>	<u>\$ 830,426</u>	<u>\$ 3,425,194</u>

(2) Reinsurance assumed

Insurance type	Reinsurance premium revenues (1)	Net change in unearned premium reserves (2)	Reinsurance commission expenditure (3)	Claims for reinsurance (4)	Net change in claims reserves (5)	Profit (loss) of reinsurance inward (6)=(1)-(2)-(3)-(4)-(5)
One-year Commercial Fire Insurance	\$ 21,955	(\$ 2,596)	\$ 674	\$ 1,546	(\$ 7,611)	\$ 29,942
Residential Earthquake Insurance	92,531	9,352	-	53,311	484	29,384
Compulsory Motorcycle Liability Insurance	101,271	92	-	90,537	567	10,075
Engineering Insurance	65,961	9,304	19,061	17,903	11,090	8,603
Typhoon and Flood Insurance	8,938	(842)	111	1,191	(40)	8,518
Nuclear Energy Insurance	5,981	344	-	121	108	5,408
Other Insurance (Note)	<u>206,636</u>	<u>(4,364)</u>	<u>1,796</u>	<u>180,541</u>	<u>16,430</u>	<u>12,233</u>
	<u>\$ 503,273</u>	<u>\$ 11,290</u>	<u>\$ 21,642</u>	<u>\$ 345,150</u>	<u>\$ 21,028</u>	<u>\$ 104,163</u>

(3) Ceding reinsurance business

Insurance type	Reinsurance premium outward (1)	Ceding net change in unearned premium reserves (2)	Reinsurance commission income and fee income (3)	Refundable Claims for Reinsurance (4)	Ceding net change in claims reserves (5)	Loss (gain) of Ceding reinsurance (6)=(1)-(2)-(3)-(4)-(5)
Residential Earthquake Insurance	\$ 640,701	\$ -	\$ 65,166	\$ 116,950	\$ -	\$ 458,585
One-year Commercial Fire Insurance	626,124	25,745	116,407	122,205	54,593	307,174
Marine Cargo Insurance	266,093	(15,598)	24,221	20,026	60,296	177,148
Aviation Insurance	78,790	(7,152)	3,998	4,176	(990)	78,758
General Liability Insurance	220,733	10,706	58,429	53,620	19,280	78,698
Marine Hull Insurance	99,860	(1,598)	8,193	59,804	(36,844)	70,305
Other Insurance (Note)	<u>1,202,435</u>	<u>21,176</u>	<u>123,885</u>	<u>460,853</u>	<u>431,915</u>	<u>164,606</u>
	<u>\$ 3,134,736</u>	<u>\$ 33,279</u>	<u>\$ 400,299</u>	<u>\$ 837,634</u>	<u>\$ 528,250</u>	<u>\$ 1,335,274</u>

Note: the balance of each insurance type less than 5% of the total are stated collectively.

(X) Non-insurance assets acquired by executing recovery rights - residuals taken over and right for pursuit of recovery

	December 31, 2025	December 31, 2024
Credit Insurance	\$ 28,218	\$ 22,213
Miscellaneous Insurance	3,275	2,016
Bonding Insurance	5,797	4,806
Personal Comprehensive Insurance	813	309
General Liability Insurance	110	92
Commercial Comprehensive Insurance	78	-
Engineering Insurance	9	9
	<u>\$ 38,300</u>	<u>\$ 29,445</u>

(XI) Requirements for Asset Segmentation for Certain Assets

The Company has an operation for compulsory automobile liability insurance (“the insurance”), and the insurance has an independent accounting based on the “Compulsory Automobile Liability Insurance Act”, to record the operation and financial position of the insurance.

FSC issued Jin-Guan-Bao-Chan-Zi No. 11104520199 to amend “Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance” on November 25, 2022, and enforced the regulations on the date of promulgation, except Article 2 of the amended Regulations, which should be enforced as of November 30, 2022.

Based on Article 5 of the “Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance”, the special reserves provided for the insurance shall be deposited in financial institutions via the purchase of treasury bills or in the format of time deposit. However, with the approval of the competent authorities, the following domestic negotiation securities may be purchased:

1. Government bond. Exchangeable government bonds are excluded.
2. Financial bonds, NCD, bank’s acceptance bill, and commercial papers guaranteed by financial institutions. But the financial bonds are limited to the general financial bonds.

The treasury bills purchased and the amount of time deposits in financial institution specified previously, shall not be lower than 30% of the total amount of retained earned pure premiums audited or reviewed by CPA of the latest period. The competent authorities may properly raise the percentage depending on the operation status of the Company.

Shall the balance of the special reserves not meet 30% of the total amount of retained earned pure premiums audited or reviewed by CPA of the latest period, all the reserves shall purchase treasury bills or have been deposited in financial institutions as time deposits.

According to Article 6 of the “Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance”, the funds held by the insurance (various reserves, payables, temporary receipts and payment to be carried over), shall be deposited in the banks as demand deposits and time deposits, except the special reserve, which should be handled in accordance with said requirements.

However, with the approval of the competent authorities, the following domestic negotiation securities may be purchased:

1. Treasury Bills.
2. NCD, bank's acceptance Bill, and commercial papers guaranteed by financial institutions.
3. Repo Government Bonds.

The amount of time deposits in financial institution specified previously, shall not be lower than 45% of the balance of funds held by the insurance minus special reserves, and 30% of the amount of retained earned pure premiums audited or reviewed by CPA of the latest period. The competent authorities may properly raise the percentage depending on the operation status of the Company.

Shall the sum of the unearned premium reserves and claim reserves not meet 30% of the total amount of retained earned pure premiums audited or reviewed by CPA of the latest period, all the reserves shall be deposited in financial institutions as time deposits.

Based on Article 11 of the "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance", when a non-life insurance enterprise suspends or ceases to provide the said insurance, all the reserves of the insurance shall be transferred and included to the reserve provisions of the non-life insurance enterprise succeeding the business.

Where an insurance enterprise is ordered to suspend business and undergo rehabilitation, ordered to dissolve, or its permit to provide the insurance is abrogated but no other insurer takes over the insurance business, and the liabilities of the insurance are terminated with positive balance of special reserves, the corresponding assets of such special reserves shall be transferred to Motor Vehicle Compensation Fund Accident.

XXVIII. Claim Liabilities to Policyholders

(I) As of December 31, 2025, the information of the claim liabilities to the policyholders by the Company is summarized as the following:

1. The claim liabilities reported and paid, reported but not paid, and unreported to the policyholders

Item	Claims payable	Claim reserves		
	Reported and paid	Reported but not yet paid	Not yet reported	Total
Engineering Insurance	\$ -	\$ 991,185	\$ 93,673	\$ 1,084,858
General Personal Automobile Liability Insurance	-	883,731	160,637	1,044,368
One-year Commercial Fire Insurance	-	317,693	43,405	361,098
Compulsory Automobile Liability Insurance	-	108,694	241,271	349,965
Compulsory Motorcycle Liability Insurance	-	47,916	227,259	275,175
Marine Cargo Insurance	-	212,222	58,968	271,190
Other Insurance (Note)	-	1,379,797	422,550	1,802,347
	<u>\$ -</u>	<u>\$ 3,941,238</u>	<u>\$ 1,247,763</u>	<u>\$ 5,189,001</u>

2. Reinsurance reserve assets - Claim recoverable from reinsurers to the reported and paid claims to the policyholders

Insurance type	Claim paid	Reported and paid	Total
General Liability Insurance	\$ 15,486	\$ -	\$ 15,486
Compulsory Automobile Liability Insurance	13,373	-	13,373
Compulsory Motorcycle Liability Insurance	9,271	-	9,271
Engineering Insurance	6,788	-	6,788
Compulsory Commercial Automobile Liability Insurance	4,219	-	4,219
Other Insurance (Note)	14,671	-	14,671
	<u>63,808</u>	<u>-</u>	<u>63,808</u>
Allowance loss	(319)	-	(319)
	<u>\$ 63,489</u>	<u>\$ -</u>	<u>\$ 63,489</u>

3. Reinsurance reserve assets - Claim recoverable from reinsurers to the reported but not paid and unreported ceding claims to the policyholders

Insurance type	Reported but not yet paid	Not yet reported	Total
Engineering Insurance	\$ 823,676	\$ 43,600	\$ 867,276
Marine Cargo Insurance	164,284	45,800	210,084
Marine Hull Insurance	181,843	22,300	204,143
One-year Commercial Fire Insurance	178,103	24,900	203,003
Commercial earthquake insurance	170,817	6,400	177,217
Compulsory Automobile Liability Insurance	41,836	104,755	146,591
General Liability Insurance	90,544	38,500	129,044
Other Insurance (Note)	184,721	162,435	347,156
	<u>\$ 1,835,824</u>	<u>\$ 448,690</u>	<u>2,284,514</u>
Accumulated impairment			(17)
			<u>\$ 2,284,497</u>

Note: The balance of each insurance type less than 5% of the total are stated collectively.

- (II) As of December 31, 2024, the information on the Company's claim liabilities to policyholders is summarized as follows:

1. The claim liabilities reported and paid, reported but not paid, and unreported to the policyholders

Item	Claims payable		Claim reserves	
	Reported and paid	Reported but not yet paid	Not yet reported	Total
General Personal Automobile Liability Insurance	\$ -	\$ 853,275	\$ 159,954	\$ 1,013,229
One-year Commercial Fire Insurance	-	480,491	41,472	521,963
Engineering Insurance	-	329,584	44,908	374,492
Compulsory Automobile Liability Insurance	-	99,887	243,444	343,331
Commercial earthquake insurance	-	304,812	15,727	320,539
Compulsory Motorcycle Liability Insurance	-	42,440	229,990	272,430
General Personal Automobile Physical Damage Insurance	-	199,329	57,671	257,000
Other Insurance (Note)	-	1,082,925	385,407	1,468,332
	<u>\$ -</u>	<u>\$ 3,392,743</u>	<u>\$ 1,178,573</u>	<u>\$ 4,571,316</u>

2. Reinsurance reserve assets - Claim recoverable from reinsurers to the reported and paid claims to the policyholders

Insurance type	Claim paid	Reported and paid	Total
General Liability Insurance	\$ 12,217	\$ -	\$ 12,217
Engineering Insurance	10,653	-	10,653
Compulsory Motorcycle Liability Insurance	9,205	-	9,205
Compulsory Automobile Liability Insurance	8,330	-	8,330
Commercial earthquake insurance	6,225	-	6,225
Marine Hull Insurance	5,048	-	5,048
Personal Accident Insurance	3,692	-	3,692
Compulsory Commercial Automobile Liability Insurance	3,409	-	3,409
Other Insurance (Note)	<u>1,010</u>	<u>-</u>	<u>1,010</u>
	59,789	-	59,789
Allowance loss	(<u>299</u>)	<u>-</u>	(<u>299</u>)
	<u>\$ 59,490</u>	<u>\$ -</u>	<u>\$ 59,490</u>

3. Reinsurance reserve assets - Claim recoverable from reinsurers to the reported but not paid and unreported ceding claims to the policyholders

Insurance type	Reported but not yet paid	Not yet reported	Total
Commercial earthquake insurance	\$ 285,727	\$ 10,000	\$ 295,727
One-year Commercial Fire Insurance	271,826	22,500	294,326
Engineering Insurance	202,045	20,300	222,345
Marine Hull Insurance	140,568	24,000	164,568
Marine Cargo Insurance	108,073	39,200	147,273
Compulsory Automobile Liability Insurance	35,606	104,791	140,397
Compulsory Motorcycle Liability Insurance	11,191	98,534	109,725
General Liability Insurance	71,243	29,800	101,043
Other Insurance (Note)	<u>137,297</u>	<u>64,394</u>	<u>201,691</u>
	<u>\$ 1,263,576</u>	<u>\$ 413,519</u>	<u>1,677,095</u>
Accumulated impairment			(<u>25</u>)
			<u>\$ 1,677,070</u>

Note: The balance of each insurance type less than 5% of the total are stated collectively.

XXIX. Effects from Changes of Estimates and Assumptions

- (I) The estimate amount of claims for the following significant claim events, is the neutral estimation for the current forecast of future amount of claim, based on the inspection of the insurance accidents. However, the estimation and assumption are uncertain, and may not be consistent to the actual claim outcomes in the future. The said estimation may be

revised due to re-evaluation of the case by the insurance notary or the claim personnel after inspection and collection of information; or may be modified because the delegated attorneys change the future claim amount specified in the arising litigation and related legal fees. The Company will re-evaluated and account based on the said changes, and cause the estimated claim amount of the claim event. The changed amount will directly affect the profit/loss of the current when changes occur. The estimation of the amount of each insurance type and the amount after changes are listed as follows:

1. 2025

<u>Insurance type</u>	<u>Estimated amount</u>	<u>Amount after changes</u>
Engineering Insurance	\$ 600,762	\$ 600,762
One-year Commercial Fire Insurance	314,635	241,827
Marine Hull Insurance	140,146	140,146
Marine Cargo Insurance	<u>73,215</u>	<u>138,423</u>
	<u>\$ 1,128,758</u>	

The abovementioned effects do not take into account of ceding reinsurance.

2. 2024

<u>Insurance type</u>	<u>Estimated amount</u>	<u>Amount after changes</u>
One-year Commercial Fire Insurance	\$ 759,834	\$ 695,514
Marine Hull Insurance	92,146	92,146
Marine Cargo Insurance	73,215	73,215
Engineering Insurance	<u>21,783</u>	<u>21,783</u>
	<u>\$ 946,978</u>	

The abovementioned effects do not take into account of ceding reinsurance.

Note: With respect to the one-year commercial fire insurance caused by Hualien Earthquake on April 3, 2024, including the significant claim events, the losses have been estimated as NT\$359,384 thousand until December 31, 2024. After taking the ceding reinsurance into account, the Company estimated the loss retention as NT\$50,000 thousand.

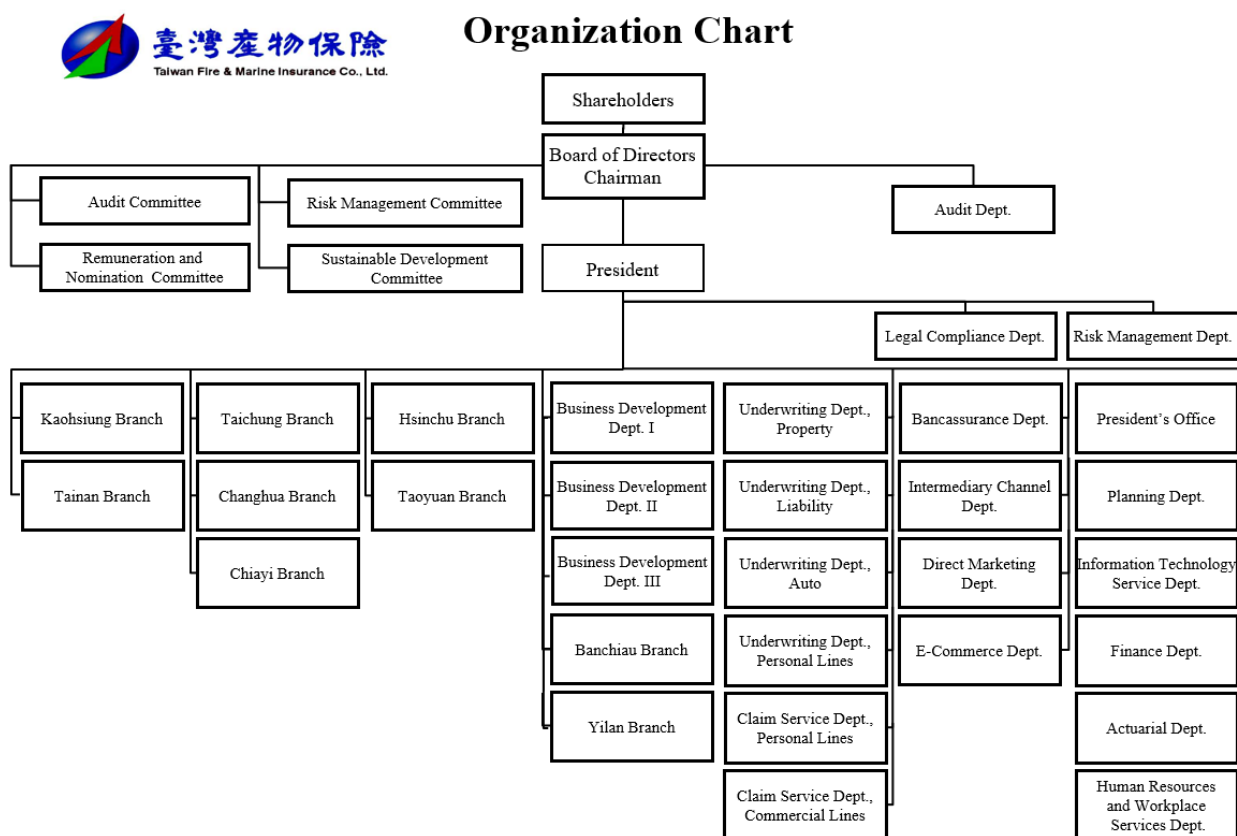
- (II) The Company evaluates the premium deficiency reserve based on the expected cost method, while considering the individual cases not satisfying Article 10 of the “Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms”. However, the estimation and assumption are uncertain, and may not be consistent to the actual loss rate and actual general fee rate in

the future. The said estimation may, due to the changes of future economic situations, cause the provision of premium deficiency reserve to increase or decrease. When the expected loss rate increases of decrease 5%, the amount of the provision of premium deficiency reserve for 2025 and 2024 may increase NT\$5,042 thousand or NT\$629 thousand, or decrease NT\$610 thousand or NT\$462 thousand, respectively. The changed amount will directly affect the profit/loss of the current when changes occur. The abovementioned effects do not take into account of ceding reinsurance.

XXX. Information of risk management

(I) Structure, Organization, and Authorities and Responsibilities of Risk Management

1. Structure and Organization of Risk Management



In order to effectively plan, supervise and execute the risk management, in the 29th meeting of the 22nd Board of Directors on September 24, 2010, the Risk Management Committee was set up under the Board.

Risk management strategies of the Company:

- (1) The risk management standards established by Company cover insurance risk, credit risk, market risk, liquidity risk, operational risk, risk of match for asset and liability, and risk of climate change.
- (2) Based on the operational plan and financial income targets, the Company's risk appetite shall be no less than 400% of the capital adequacy ratio (RBC ratio). Meanwhile, in response to the implementation of the new generation solvency regime on January 1, 2026, the Company's risk appetite has been changed to no less than 200% of the capital adequacy ratio (ICS ratio).
- (3) Establish the risk management procedures consistent of the business scale, nature, and complexity of the Company, so each risk is controlled to the acceptable extent.
- (4) Effectively control the capital adequacy ratio by complying with the regulations of managing capital adequacy ratio by the competent authorities.
- (5) Establish the information security guarding mechanism and contingency plan for the business or transactions, and inter-application of information.

Risk management procedure of the Company:

To identify, measure, supervise and monitor each risk faced by the Company, the risk management procedure is divided as five stages, namely risk identification, risk measurement, risk response, risk control, and risk report, as for the operation of risk management.

2. The functions of each unit are as follows:

(1) Board of Directors

- A. Recognize the risks to be assumed for the operations of insurance enterprise, ensure to effectiveness of the risk management, and be ultimately responsible for the risk management as a whole.
- B. Must establish the proper risk management mechanism and culture, approve the proper risk management policies and review them regularly, and optimize the allocations of resources.
- C. Not only pay attentions to the risks assumed by individual unit, but rather consider the effects from the aggregation of each risk at the company level. Meanwhile, the mandatory capitals required by the competent authorities, and various regulations of finance and business impacting the capital allocation shall be taken into account.

(2) Risk Management Committee

- A. Draft the policies, structures, organizational functions of risk management, establish the qualified and quantified management standards, report to the Board regularly and reflect the implementation of risk management to the Board in timely manner, and propose the necessary improvement advices.
- B. Execute the Board's decisions of risk management, and regularly review the performance for development, establishment, and execution of the risk management mechanism at the Company level.
- C. Assist and supervise the risk management activities conducted by each department.
- D. Assist review on the operations related to determination of risk limit.
- E. Adjusted the risk categories, limit allocation, and assumption approach depending on the changes of circumstance.
- F. Coordinate the interactions and communications of cross-department risk management.
- G. Evaluation on capital adequacy.
- H. Performance management after risk adjustment.

(3) Risk Management Dept.

- A. Charge of the executions of daily risk monitor, measurement, and evaluation, and independent from the business to perform the duties.
- B. Risk management department shall perform the following duties based on the categories of operations:
 - a. Assisting to draft and execute the risk management policies approved by the Board of Directors.
 - b. Assisting to draft the risk limits based on the risk appetite.
 - c. Compiling the risk information provided by each unit, to coordinate and communicate among them for the purpose of executing policies and limits.
 - d. Providing the risk management related report regularly.
 - e. Monitoring the risk limits and utilization of each business unit.
 - f. Assisting to the stress test.
 - g. Conducting backtracking test when necessary.
 - h. Other matters related to risk management.

- C. Handling the breach of risk limits by other units under the authorization of the Risk Management Committee.
- (4) Business units (all departments other than Audit Dept. and Risk Management Dept.)
 - A. The heads of business units' duties to execute the risk management are as follows:
 - a. Charge of the management and report of the daily risks for the unit he/she belongs to, and taking the necessary responding strategies.
 - b. Supervising the regular conveyance of related risk information to the Risk Management Dept.
 - B. Business units' duties to execute the risk management are as follows:
 - a. Identifying risks and reporting the exposures.
 - b. Measuring the extent (quantifying or qualifying) of impact when such risks materialize, and convey the risk information in a timely and correct manner.
 - c. Reviewing each risks and limit regularly, to ensure the risk limit of the unit is effectively executed.
 - d. Monitoring the risk exposure and report the breaches, including the measures taken for such breaches.
 - e. Assisting the development of the risk models, to ensure the measurement of risk, use of model, and establishment of assumptions within the business unit is on the reasonable and consistent basis.
 - f. Ensuring the effective execution of the internal control within the business unit, to comply with the laws and regulations as well as the risk management policies of the Company.
 - g. Assisting the collection of the operational risks.
- (5) Audit Dept.

Based on the current laws and regulations to audit the execution of risk management for business units of the Company.

- (II) The extent and nature of the risk reporting and measuring system for the non-life insurance enterprises

The Risk Management Dept. compiles the risk information provided by each unit, to prepare the risk management report regularly, as well as reviews and tracks the utilization of major risk limits, to monitor the risk regularly. The risk management

report is submitted to the Risk Management Committee every quarter, and the holistic risk management report is submitted to the Board of Director every six months.

The insurance risk management information system of the Company has the database for the accumulations under the same insurance for each category of insurance, and the limit control for each policy. The database not only is able to control the significant disaster risk timely, but also helpful for the business units to conduct scenario analysis and the stress tests. The limit control for each policy includes the real-time ceding reinsurance, to control the risks of significant disaster and reinsurances effectively.

- (III) The procedures for non-life insurance enterprises to sustain, measure, supervise, and control the insurance risks, and to ensure the insurance-approval policies for proper risk categorization and premium levels

When the sales of each insurance of the Company solicit business, the “Regulations Governing Business Solicitation” of the Company shall be followed. The insurance approver of each insurance shall be strictly required for their qualification, authorities and duties based on the “Regulations Governing Insurance Approval and Claims”, and they shall follow the established operational process of insurance approval for the insurance type when approving insurance, to ensure the proper risk categorization and premium levels, as well as to control the insurance risks.

- (IV) Evaluating and managing the insurance risk extent on the basis of company as a whole

For the management of insurance risks, the Company has the risks of product design and pricing, insurance approval, reinsurance, significant disaster, claim, reserves, as well as the matching risks for assets and liabilities.

- (V) The approaches used by the non-life insurance enterprises to limit the insurance risk exposures and prevent the risk of undue concentration:

The Company has, based on the “Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms”, to established a risk management mechanism for the retained and ceding reinsurance and reinsurance inwards business; and the “Reinsurance Risk Management Operating Guidelines” has been established for execution by considering the ability to assume risks. The retention limits for each risk unit under each insurance category are disclosed as follows:

December 31, 2025

		Unit: NT\$ Thousand
Insurance type	Highest retention	
One-year Commercial Fire Insurance	NT\$	1,200,000
One-year Residential Fire Insurance and Allied Perils Insurance		480,000
Marine Cargo Insurance	NT\$	
Inland Marine Insurance	US\$	6,000
Marine Hull Insurance (casualty insurance of crews and passengers)	US\$	1,000
Marine Hull Insurance (other than the casualty insurance of crews and passengers)		25,000
Fishing Vessel Insurance	US\$	5,000
Aviation Insurance	US\$	
Engineering Insurance	US\$	1,500
Credit Insurance	US\$	3,000
Bonding Insurance	NT\$	1,200,000
General Liability Insurance (for individual)	NT\$	300,000
General Liability Insurance (for business)	NT\$	300,000
Professional Liability Insurance	NT\$	300,000
Commercial Comprehensive Insurance	NT\$	40,000
Miscellaneous Insurance (for individual)	NT\$	300,000
Miscellaneous Insurance (for business)	NT\$	300,000
Personal Comprehensive Insurance	NT\$	1,200,000
Personal Accident Insurance	NT\$	20,000
Health Insurance	NT\$	1,200,000
Automobile Physical Damage Insurance and Allied Perils Insurance	NT\$	40,000
Automobile Liability Insurance	NT\$	40,000
	NT\$	10,000
		30,000
	NT\$	
	NT\$	200,000

Note: the special businesses are not subjected to the above restrictions for the maximum self-retained amount.

December 31, 2024

Insurance type	Unit: NT\$ Thousand	
	Highest retention	
One-year Commercial Fire Insurance	NT\$	1,500,000
One-year Residential Fire Insurance and Allied Perils Insurance	NT\$	480,000
Marine Cargo Insurance	US\$	6,000
Inland Marine Insurance	US\$	1,000
Marine Hull Insurance (casualty insurance of crews and passengers)	US\$	25,000
Marine Hull Insurance (other than the casualty insurance of crews and passengers)	US\$	5,000
Fishing Vessel Insurance	US\$	1,500
Aviation Insurance	US\$	3,000
Engineering Insurance	NT\$	1,500,000
Credit Insurance	NT\$	300,000
Bonding Insurance	NT\$	300,000
General Liability Insurance (for individual)	NT\$	40,000
General Liability Insurance (for business)	NT\$	300,000
Professional Liability Insurance	NT\$	300,000
Commercial Comprehensive Insurance	NT\$	1,200,000
Miscellaneous Insurance (for individual)	NT\$	20,000
Miscellaneous Insurance (for business)	NT\$	1,200,000
Personal Comprehensive Insurance	NT\$	40,000
Personal Accident Insurance	NT\$	40,000
Health Insurance	NT\$	10,000
Automobile Physical Damage Insurance and Allied Perils Insurance	NT\$	30,000
Automobile Liability Insurance	NT\$	200,000

Note: The special businesses are not subjected to the above restrictions for the maximum self-retained amount.

(VI) Approaches of Managing Assets and Liabilities

When implementing various business, the case officers shall manage and monitor the potential risks in the day-to-day operations based on the internal control procedures and SOP, to prevent the mismatch between the cash flows from liabilities and assets caused by the behaviors of policyholders.

(VII) When certain events occur, the non-life insurance enterprises have to assume extra liabilities or input extra commitments of owner's equity. The procedures for management, supervision, and control

According to the Insurance Act, for the non-life insurance enterprises, the ratio of total adjusted net capital to risk-based capital may not be lower than 200%. Fail to meet the said ratio, the profits are not to be distributed; also, the capital-increase shall be conducted within a certain period upon the requests from the competent authorities, or the scope of operations or fund application shall be limited.

Based on the risk appetite regulated by the Risk Management Policy of the Company, the ratio of total adjusted net capital to risk-based capital may not be lower than 400%. Meanwhile, in response to the competent authority's policy, the risk appetite will be adjusted from January 1, 2026, so that the ratio of own capital to risk capital will not be less than 200%.

(VIII) Explanation of the Insurance Risk Concentration

The insurances sold by the Company include: fire insurance, marine cargo insurance, marine hull insurance, aviation insurance, personal accident insurance, automobile insurance, cash insurance, credit insurance, engineering insurance, liability insurance, health insurance, and other property insurances; the major sources of business are from within the Republic of China, and the insurance contract taken do not significantly differ from different regions.

The Company's premium revenues mainly concentrate at automobile insurance, fire insurance, marine cargo insurance, casualty insurance, liability insurance, and other property insurance.

Various reserves are provided based on the "Regulations on Provision of Various Reserves for Insurance Enterprises" and other official orders and letters.

(IX) The Sensitivities of Insurance Risks

Unit: NT\$ Thousand

Year	The impact to the profit/loss when the expected loss ratio increase 5%		The impact to the profit/loss when the expected loss ratio decrease 5%	
	Before holding the reinsurance	After holding the reinsurance	Before holding the reinsurance	After holding the reinsurance
2025	(\$ 118,540)	(\$ 80,640)	\$ 116,055	\$ 78,855
2024	(\$ 115,025)	(\$ 76,125)	\$ 90,125	\$ 61,425

Note: The compulsory automobile insurance, nuclear energy insurance and residential earthquake insurance are excluded.

(X) Development Trend of Claims

1. The development trend of claims for 2025 is as the following:

Unit: NT\$ Thousand

Year/Month of the Accident	Incurred accumulated claims (claim expenses included)				
	12	24	36	48	60
2021	\$ 4,095,067	\$ 4,212,222	\$ 4,142,948	\$ 4,129,175	\$ 4,176,191
2022	2,970,150	3,265,655	3,193,340	3,432,054	
2023	2,767,334	2,874,413	3,009,106		
2024	3,547,634	4,453,349			
2025	5,367,108				

Note: The compulsory automobile insurance, nuclear energy insurance and residential earthquake insurance are excluded.

2. The development trend of claims for 2024 is as the following:

Unit: NT\$ Thousand

Year/Month of the Accident	Incurred accumulated claims (claim expenses included)				
	12	24	36	48	60
2020	\$ 2,288,237	\$ 2,461,612	\$ 2,403,348	\$ 2,399,289	\$ 2,382,832
2021	4,095,067	4,212,222	4,142,948	4,129,175	
2022	2,970,150	3,265,655	3,193,340		
2023	2,767,334	2,874,413			
2024	3,547,634				

Note: The compulsory automobile insurance, nuclear energy insurance and residential earthquake insurance are excluded.

XXXI. Information of Foreign Currency Assets and Liabilities with Material Impacts

The following information is the consolidated expression of the foreign currencies other than the functional currency of the Company. The disclosed exchange rate refers to the exchange rate translating such foreign currencies to the functional currency. The foreign currency assets and liabilities with material impact are as follows:

Unit: Foreign currency / NT\$ Thousand

	December 31, 2025			December 31, 2024		
	Foreign Currency	Exchange rate	Carrying Amount	Foreign Currency	Exchange rate	Carrying Amount
<u>Foreign assets</u>						
<u>Monetary items</u>						
USD	\$ 37,526	31.42	\$1,179,074	\$ 39,560	32.78	\$1,296,773
RMB	17,654	4.50	79,442	17,249	4.48	77,274
<u>Foreign liabilities</u>						
<u>Monetary items</u>						
USD	1,376	31.42	43,248	1,566	32.78	51,318

The unrealized exchange gains and losses with material impact are as follows:

Foreign Currency	2025		2024	
	Exchange rate	Foreign exchange income or loss, net	Exchange rate	Foreign exchange income or loss, net
USD	31.42	(\$ 43,728)	32.78	\$ 79,458
RMB	4.50	500	4.48	3,081
		(\$ 43,228)		\$ 82,539

XXXII. Additional Disclosures

(I) Information about significant transactions

1. The amount of acquired properties is NT\$100 million or more, or 20% of the paid-up capitals or more. (Table 1)
2. The amount of disposed properties is NT\$100 million or more, or 20% of the paid-up capitals or more. (None)
3. Transactions of the major core business items between the Company and the related parties, with the amount of NT\$100 million or more, or 20% of the paid-up capitals or more. (None)
4. The receivables from the related parties is NT\$100 million or more, or 20% of the paid-up capitals or more. (None)
5. Transactions in engaging in derivative financial instruments. (None)
6. Other information: Amount of the business relationship and major transactions between parent company and subsidiaries and among subsidiaries. (None)

(II) Information related to reinvested enterprises

1. Information related to the name and location, etc., of the investee (the investees in mainland China excluded) (Table 2)
2. Lending funds to others. (None)
3. Providing endorsements or guarantees for others. (None)
4. Securities held at the end of the period. (Table 3)
5. Transactions where the aggregate purchases or sales of the same security reaching NT\$100 million or 20% of paid-in capital or more. (None)
6. The amount of acquired properties is NT\$100 million or more, or 20% of the paid-up capitals or more.
(Not applicable)

7. The amount of disposal of properties is NT\$100 million or more, or 20% of the paid-up capital or more.
(Not applicable)
8. Transactions of the major core business items between the Company and the related parties, with the amount of NT\$100 million or more, or 20% of the paid-up capitals or more. (Not applicable)
9. The receivables from the related parties is NT\$100 million or more, or 20% of the paid-up capitals or more.
(Not applicable)
10. Trading in derivative instruments. (Not applicable)

(III) Information about investment in Mainland China

The Company has no investment in Mainland China.

XXXIII. Information about Segment

Based on International Financial Reporting Standards (IFRS) 8, “Operating Segments”, because the Company’s major business is a single business of non-life insurance, and when the management making the operational decisions, the applied company components are based on the holistic information of the Company, the Company is considered as a single operating segment, and the financial information of operating segments need not to be disclosed.

Table 1. The amount of acquired properties is NT\$100 million or more, or 20% of the paid-up capitals or more.

Unit: NT\$ Thousand

The company acquiring the real estate	Property Name	Date of occurrence	Transaction Amount (Note 1)	Payment status	Trading counterpart	Relationship	Information about the previous transfer, if the trading counterpart is a related party.				Reference basis for determination of the price	Purpose of acquisition, and usage	Other agreements
							All people	Relationship with the issuer	Date of transfer	Amount			
The Company	No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City	August 27, 2025	\$ 2,000,000	The installment price payable according to the contract has been paid in full.	Senluo Investment Co., Ltd.,	Name of the non-related party	-	-	-	-	Refer to market price and appraisal reports.	Acquisition of real estate for own use	None

Note 1:The transaction amount excludes brokerage fees, government fees and land agent fees paid upon acquisition.

Note 2:The date of occurrence refers to the date of execution of the contract, the date of payment, the date of consignment trade, the date of transfer, the dates of board of directors’ resolutions, or any other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

Table 2. Information related to the Name, Location of the Investee:

Unit: NT\$ Thousand

Name of Investor	Name of Investee	Location	Main Activities	Original investment amount		Holdings at end of period			Name of Investee Profit (loss) for the current period	Investment income (loss) recognized in period	Remarks
				End of the period	End of previous period	Shares (thousand shares)	%	Carrying Amount			
Taiwan Fire & Marine Insurance Co., Ltd.	Top Taiwan X Venture Capital Co., Ltd.	Taipei City	INVESTMENTS	\$ 125,087	\$ 164,588	12,509	24.75%	\$ 96,438	(\$ 105,388)	(\$ 26,084)	
	AcSun Energy Inc.	New Taipei City	INVESTMENTS	200,000	200,000	20,000	20.00%	206,145	23,308	4,662	

Note: Top Taiwan X Venture Capital Co., Ltd. refunded the stock payment by NT\$39,501 thousand upon the capital reduction in the current period.

Table 3. Securities held at the end of the period:

Unit: NT\$ Thousand

Holding company's name	Type and name of marketable securities	Relationship with the issuer	Financial statement account	Ending				Remarks
				Thousand unit/ thousand shares	Carrying amount	Equity (%)	Fair Value	
Top Taiwan X Venture Capital Co., Ltd.	TSEC/GTSM listed shares							
	Zhen Yu (2947)	None	Financial assets at fair value through profit or loss	148	\$ 12,110	-	\$ 12,110	
	Groundhog Inc.	None	"	64	5,216	-	5,216	
	MP (6720)	None	"	1,773	218,929	-	218,929	
	NAVIFUS CORPORATION (6872)	None	"	613	12,325	-	12,325	
	EASTERN UNION INTERACTIVE CORP. Unlisted Shares	None	"	262	49,125	-	49,125	
	ADE	None	Financial assets at fair value through profit or loss	1,403	15,672	-	15,672	
	Tripresso	None	"	301	286	-	286	
	VIVA ELECTRONIC	None	"	1,184	20,541	-	20,541	
	METANOIA COMMUNICATIONS INC.	None	"	503	6,167	-	6,167	
	Forland Auto Trade Holding Co., Ltd.	None	"	2,400	28,128	-	28,128	
	Navigator Financial Leasing	None	"	5,000	29,850	-	29,850	
	AIVIVA	None	"	264	390	-	390	
	Ubitus	None	"	28	1,686	-	1,686	
	TOPRAY MEMS INC.	None	"	2,000	8,060	-	8,060	
AcSun Energy Inc.	Backer-Founder Company Limited	None	"	1,715	7,083	-	7,083	
	Unlisted Shares	None						
	AcSacca Solar Energy Co., Ltd.	None	Investment under equity method	56,600	1,031,440	100	1,031,440	
	KangYang New Energy Co., Ltd.	None	"	10,500	101,866	100	101,866	

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Taiwan Fire & Marine Insurance Co., Ltd.

Statement of cash and cash equivalents

December 31, 2025

Statement 1

Unit: NT\$ Thousand

Title	Summary	Amount
Cash on hand		\$ 41
Working Capital		29,262
Checking deposits		230,534
Demand deposits	Foreign currencies included	2,709,266
	RMB : 2,551,837.37@4.50	
	USD : 3,289,594.05@31.42	
	STG : 327,734.25 @42.23	
	YEN : 283,036 @0.20	
	HKD : 202,090.56 @4.04	
	EUR : 432,717.1 @36.87	
Time deposits	Maturity within 3 months	160,811
Commercial paper	Matured on January 5 to January 12, 2026	249,494
Less: Deductible of refundable deposits	Demand deposits	(109,158)
		<u>\$ 3,270,250</u>

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Notes receivable

December 31, 2025

Statement 2

Unit: NT\$ Thousand

<u>Customer</u>	<u>Summary</u>	<u>Amount</u>
Taipei Bus Company, Ltd.		\$ 4,977
Others (Note)		80,530
Less: allowance loss		(<u>855</u>)
		<u>\$ 84,652</u>

Note: the cumulation of the balance of each client under 5% of the balance of this account.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Premiums receivable

December 31, 2025

Statement 3

Unit: NT\$ Thousand

<u>Customer</u>	<u>Summary</u>	<u>Amount</u>
WISTRON GROUP		\$ 48,357
INVENTEC GROUP		23,904
Others (Note)		418,096
Less: allowance loss		(<u>37,178</u>)
		<u>\$ 453,179</u>

Note: the cumulation of the balance of each client under 5% of the balance of this account.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Other receivable

December 31, 2025

Statement 4

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Interest receivable	Interest on time deposit	\$ 27,846
	Government bond	4,948
	Financial bonds	71,604
	Corporate bonds	45,979
	Others	80
Other receivable	Covered claims receivable	2,684
	Withdrawal commission receivable	11,849
Stock dividends receivable		1,060
Less: allowance loss		(<u>172</u>)
		<u>\$ 165,878</u>

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Financial asset at fair value through profit or loss
December 31, 2025

Statement 5

Unit: NT\$ thousand, unless specified otherwise

Title	Summary	Shares	Face Value (NT\$)	Total amount	Interest rate %	Acquisition Cost	Fair Value Unit price (NT\$)	Total value	Fair value changes attributed to credit risks	Remarks
TSEC/GTSM listed shares										
China Bills Finance Corporation (CBF)		600,000	10	\$ 6,000		\$ 6,375	16.90	\$ 10,140	\$ -	
Chunghwa Telecom Co., Ltd. (CHT)		1,119,000	10	11,190		32,016	26.25	29,374	-	
Fubon Financial Holding Co., Ltd. (Fubon Financial)		260,463	10	2,605		<u>12,184</u>	96.10	<u>25,030</u>	<u>-</u>	
						<u>50,575</u>		<u>64,544</u>	<u>-</u>	
Unlisted Shares										
Top Taiwan Xiv Venture Capital Co., Ltd.		20,000,000	10	200		<u>200,000</u>	8.36	<u>167,139</u>	<u>-</u>	
Domestic Funds and Beneficiary certificates										
Nomura Global Financial Income Fund - Accumulation Type (TWD)		2,753,961	10	27,540		30,000	10.98	30,230	-	
Capital Global Strategic Income Financial Bond Fund A Accumulation Type (TWD)		2,841,663	10	28,417		30,000	10.63	30,212	-	
Abico Asia Capital II Excellent Transformation and Growth Limited Partnership		-	-	75,067		75,067		64,516	-	
Top Taiwan XV Venture Capital Limited Partnership		-	-	40,000		<u>40,000</u>		<u>39,526</u>	<u>-</u>	
						<u>175,067</u>		<u>164,484</u>	<u>-</u>	
Corporate bonds										
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2012, Shin Kong Life Insurance Co., Ltd. (B99001)	Perpetual, interest is calculated in simple interest and paid annually	50	1,000,000	50,000	4.35	50,000	102.20	51,099	-	
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2014, Mercuries Life Insurance Co., Ltd. (B99201)	Perpetual, interest is calculated in simple interest and paid annually	50	1,000,000	50,000	4.90	50,000	101.35	50,676	-	
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2016, Mercuries Life Insurance Co., Ltd. (B99202)	Perpetual, interest is calculated in simple interest and paid annually	50	1,000,000	50,000	3.70	50,000	99.91	49,953	-	

(To be continued)

(Continued)

Title	Summary	Shares	Face Value (NT\$)	Total amount	Interest rate %	Acquisition Cost	Fair Value Unit price (NT\$)	Total value	Fair value changes attributed to credit risks	Remarks
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2017, Cathay Life Insurance Co., Ltd. (B99601)	Perpetual, interest is calculated in simple interest and paid annually	100	1,000,000	\$ 100,000	3.30	\$ 100,000	99.88	\$ 99,881	\$ -	
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2017, Taiwan Life Insurance Co., Ltd. (B99701)	Perpetual, interest is calculated in simple interest and paid annually	100	1,000,000	100,000	3.45	100,000	99.86	99,861	-	
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2017, Nan Shan Life Insurance Company Ltd. (B99402)	Perpetual, interest is calculated in simple interest and paid annually	50	1,000,000	50,000	3.45	50,000	99.86	49,931	-	
Non-cumulative perpetual subordinated corporate bonds, phase 1, 2019, Cathay Life Insurance Co., Ltd. (B99602)	Perpetual, interest is calculated in simple interest and paid annually	100	1,000,000	100,000	3.00	<u>100,000</u>	98.70	<u>98,699</u>	<u>-</u>	
						<u>500,000</u>		<u>500,100</u>	<u>-</u>	
Financial bonds										
Non-cumulative perpetual subordinated financial bonds, phase 3, 2015, Yuanta Commercial Bank Co., Ltd. (G10822)	Perpetual, interest is calculated in simple interest and paid annually	10	10,000,000	100,000	4.10	100,000	100.18	100,182	-	
Non-cumulative perpetual subordinated financial bonds, phase 4, 2017, Bank of Panshin Co., Ltd. (G12523)	Perpetual, interest is calculated in simple interest and paid annually	10	1,000,000	10,000	4.75	10,000	99.86	9,986	-	
Non-cumulative perpetual subordinated financial bonds, phase 1, 2019, Chang Hwa Commercial Bank, Ltd. (G14937)	Perpetual, interest is calculated in simple interest and paid annually	5	10,000,000	50,000	1.90	50,000	99.61	49,805	-	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 3, 2019, Sunny Bank Ltd. (G12249)	Perpetual, interest is calculated in simple interest and paid annually	10	10,000,000	100,000	3.66	100,000	100.49	100,490	-	
Non-cumulative perpetual subordinated financial bonds, phase 1, 2020, Chang Hwa Commercial Bank, Ltd. (G14938)	Perpetual, interest is calculated in simple interest and paid annually	5	10,000,000	50,000	1.40	50,000	99.58	49,792	-	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 2, 2020, Taipei Fubon Commercial Bank Co., Ltd. (G107BX)	Perpetual, interest is calculated in simple interest and paid annually	5	10,000,000	50,000	1.60	50,000	99.51	49,752	-	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 1, 2020, Shin Kong Commercial Bank Co., Ltd. (G11657)	Perpetual, interest is calculated in simple interest and paid annually	10	10,000,000	100,000	1.70	100,000	99.37	99,367	-	

(To be continued)

(Continued)

Title	Summary	Shares	Face Value (NT\$)		Total amount		Interest rate %	Acquisition Cost	Fair Value Unit price (NT\$)	Total value	Fair value changes attributed to credit risks	Remarks
Non-cumulative unsecured perpetual subordinated financial bonds, phase 2, 2020, Sunny Bank Ltd. (G12251)	Perpetual, interest is calculated in simple interest and paid annually	10	10,000,000		\$ 100,000		3.62	\$ 100,000	100.08	\$ 100,083	\$ -	
Non-cumulative perpetual subordinated financial bonds, phase 1, 2021, Union Bank of Taiwan Co., Ltd. (G10923)	Perpetual, interest is calculated in simple interest and paid annually	100	1,000,000		100,000		1.92	100,000	99.31	99,314	-	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 1, 2021, Sunny Bank Ltd. (G12253)	Perpetual, interest is calculated in simple interest and paid annually	10	10,000,000		100,000		3.19	100,000	99.89	99,888	-	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 1, 2022, Bank Sinopac Co., Ltd. (G110AY)	Perpetual, interest is calculated in simple interest and paid annually	10	10,000,000		100,000		2.00	100,000	98.96	98,958	-	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 2, 2022, Agricultural Bank of Taiwan (G13115)	Perpetual, interest is calculated in simple interest and paid annually	5	10,000,000		50,000		2.50	50,000	99.72	49,859	-	
2nd unsecured, perpetual, non-cumulative and subordinated financial, 2016, E-Sun Bank (F02807)	Perpetual, interest is calculated in simple interest and paid annually	7	USD	1,000,000	USD	7,000	5.10	<u>239,288</u>	87.54	<u>192,533</u>	-	
								<u>1,149,288</u>		<u>1,100,009</u>	-	
								<u>\$ 2,074,930</u>		<u>\$ 1,996,276</u>	<u>\$ -</u>	

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Financial asset at fair value through other comprehensive income
December 31, 2025

Statement 6

Unit: NT\$ thousand, unless specified otherwise

Title	Summary	Shares	Face Value (NT\$)	Total amount	Allowance loss (Note)	Adjustment to Allowance for Changes in Value	Acquisition Cost	Fair Value		Remarks
								Unit price (NT\$)	Total amount	
TSEC/GTSM listed shares										
Taiwan Cement Corporation		1,801,040	10	\$ 18,010	\$ -	(\$ 32,998)	\$ 74,782	23.20	\$ 41,784	
Far Eastern New Century Corporation		542,000	10	5,420	-	(2,339)	17,407	27.80	15,068	
Chunghwa Telecom Co., Ltd. (CHT)		420,000	10	4,200	-	8,396	46,414	130.50	54,810	
Elan Microelectronics Corp (ELAN)		1,190,000	10	11,900	-	(40,102)	181,117	118.50	141,015	
Bafang Yunji		265,000	10	2,650	-	5,508	44,975	190.50	50,483	
Chang Hwa Bank		5,556,600	10	55,566	-	15,815	97,817	20.45	113,632	
Taichung Commercial Bank Co., Ltd.		32,300,571	10	323,006	-	470,179	201,673	20.80	671,852	
China Bills Finance Corporation (CBF)		1,598,000	10	15,980	-	3,634	23,372	16.90	27,006	
Entie Commercial Bank, Ltd.		749,000	10	7,490	-	(742)	10,928	13.60	10,186	
SK Insurance		390,000	10	3,900	-	5,092	40,733	117.50	45,825	
FIRST INS		2,302,000	10	23,020	-	19,901	43,980	27.75	63,881	
Fubon Financial Holding Co., Ltd. Preferred Stock		3,173,000	10	31,730	-	1,352	199,499	63.30	200,851	
Fubon Financial Holding Co., Ltd. Preferred Stock B		1,062,000	10	10,620	-	124	65,401	61.70	65,525	
Fubon Financial Holding Co., Ltd. Preferred Stock C		1,434,420	10	14,344	-	(9,467)	86,065	53.40	76,598	
Cathay Holdings		60,026	10	600	-	2,449	2,101	75.80	4,550	
Cathay Financial Holding Co., Ltd. Preferred Stock		3,221,923	10	32,219	-	(3,945)	199,516	60.70	195,571	
Cathay Financial Holding Co., Ltd. Preferred Stock B		1,601,000	10	16,010	-	(82)	96,142	60.00	96,060	
KGI Financial		7,954,761	10	79,548	-	29,013	108,207	17.25	137,220	
Taishin Shin Kong Preferred Stock E 1		1,000,000	10	10,000	-	300	50,000	50.30	50,300	
Taishin Shin Kong Preferred Stock G 2		1,318,000	10	13,180	-	(7,513)	59,310	39.30	51,797	
Waterland Financial Holding Co., Ltd. (Waterland)		30,038,267	10	300,382	-	246,035	251,098	16.55	497,133	
SinoPac Holdings		2,279,168	10	22,792	-	37,412	27,772	28.60	65,184	
CTBC Financial Holding Co., Ltd.		3,200,000	10	32,000	-	89,337	71,303	50.20	160,640	
CTBC Financial Holding Co., Ltd. Preferred Shares B		1,618,000	10	16,180	-	3,689	99,539	63.80	103,228	
CTBC Financial Holding Co., Ltd. Preferred Shares C		840,000	10	8,400	-	168	50,400	60.20	50,568	
Sirtec International Co., Ltd. (SIRTEC)		10,005,600	10	100,056	-	(296,289)	545,429	24.90	249,140	
Chailease Holding Company Limited Class A Preferred Shares (Chailease PREF A)		900,000	10	9,000	-	900	90,000	101.00	90,900	
Taiming Assurance Broker Co., Ltd. (TABC)		1,271,180	10	12,712	-	3,961	48,157	41.00	52,118	
					-	549,788	2,833,137		3,382,925	
Unlisted Shares										
Yuan-Ding Venture Capital Co., Ltd.		139,110	10	1,391	-	(862)	1,391		529	
Jiu-Dingg Venture Capital Co., Ltd.		3,150,000	10	31,500	-	732	31,500		32,232	
Top Taiwan Venture Capital Co., Ltd.		3,276,000	10	32,760	-	(7,407)	32,760		25,353	
Wan-Da Venture Capital Co., Ltd.		2,027,656	10	20,277	-	(11,464)	20,277		8,813	
Top Taiwan Xii Venture Capital Co., Ltd.		20,000,000	10	200,000	-	(63,647)	200,000		136,353	
					-	(82,648)	285,928		203,280	

(To be continued)

(Continued)

									Fair Value			
Title	Summary	Shares	Face Value (NT\$)		Total amount		Allowance loss (Note))	Adjustment to Allowance for Changes in Value	Acquisition Cost	Unit price (NT\$)	Total amount	Remarks
Corporate bonds												
KGI Financial Holding Co., Ltd. 2017 1st Unsecured Subordinated Common Corporate Bonds - Note B (B95550)	Matures on September 8, 2027, the principal repaid at one time, the interest paid on September 8 every year.	100		1,000,000		\$ 100,000	(\$ 26)	(\$ 636)	\$ 101,051	100.39	\$ 100,389	
HSBC Holdings plc 2021 Senior Unsecured RMB Corporate Bonds denominated (F10902)	Matures on June 29, 2027, the principal repaid at one time, the interest paid on June 29 every year	15	CNY	1,000,000	CNY	15,000	(1)	410	67,550	100.68	67,959	
HONHAI 3 09/23/26(Y53016)	Matures on September 23, 2026, the interests are repaid every six months, the principal is repaid at once when matures.	3,200	USD	1,000	USD	3,200	(1)	(87)	99,764	99.14	99,676	
TAISEM 2.5 10/25/31(Y70409)	Matures on October 25, 2031, the interests are repaid every six months, the principal is repaid at once when mature.	5,000	USD	1,000	USD	5,000	(4)	(795)	144,073	91.20	143,274	
							(32)	(1,108)	412,438		411,298	
Financial bonds												
Subordinated financial bonds, phase 1, 2019, Bank of Panshin Co., Ltd.	Matures on June 26, 2026, the principal repaid at one time, the interest paid on June 26 every year	1		10,000,000		10,000	(8)	36	10,000	100.28	10,028	
1st unsecured subordinated financial bonds, 2021, Taiwan Cooperative Bank	Matures on May 31 2026, the principal repaid at one time, the interest paid on May 31 every year	5		10,000,000		50,000	(2)	(216)	50,000	99.56	49,782	
Unsecured Senior USD financial bonds, phase 3, 2017, Cathay United Bank	Matures on November 24, 2047, the principal repaid at one time, the interest paid when matures.	5	USD	1,000,000	USD	5,000	(5)	(152)	157,100	99.90	156,943	
							(15)	(332)	217,100		216,753	
Government Bonds												
Category A Phase 4 Central Government Construction Bond, 2016	Matures on March 4, 2026, the principal repaid at one time, the interest paid on March 4 every year.	1,000		100,000		100,000	(2)	(94)	100,020		99,924	
Category A Phase 1 Central Government Construction Bond, 2021	Matures on January 13 2026, the principal repaid at one time, the interest paid on January 13 every year	1,000		100,000		100,000	(2)	(20)	100,000		99,978	
Category A Phase 8 Central Government Construction Bond, 2022	Matures on September 23, 2027, the principal repaid at one time, the interest paid on September 23 every year.	500		100,000		50,000	(1)	(133)	50,160		50,026	
Category A Phase 1 Central Government Construction Bond, 2025	Matures on January 09, 2030, the principal repaid at one time, the interest paid on January 9 every year	500		100,000		50,000	(1)	507	49,899		50,405	
90 Central Government Construction Bond A5	Matures on July 17, 2031, the principal repaid at one time, the interest paid on July 17 every year.	1,000		100,000		100,000	(2)	5,720	106,522		112,240	
Category A Phase 5 Central Government Construction Bond, 2008	Matures on August 14, 2028, the principal repaid at one time, the interest paid on August 14 every year.	1,500		100,000		150,000	(2)	3,911	151,370		155,279	
							(10)	9,891	557,971		567,852	
Deductible of refundable deposits							10	(9,891)	(557,971)		(567,852)	
							(\$ 47)	\$ 465,700	\$3,748,603		\$4,214,256	

Note: N/A, in the case of TWSE/TPEX-listed shares and unlisted shares.

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Financial assets carried at amortized cost
December 31, 2025

Statement 7

Unit: NT\$ thousand, unless specified otherwise

Title	Summary	Shares	Face Value (NT\$)	Total amount	Interest rate %	Allowance loss	Unamortized premium (discount)	Carrying Amount	Remarks
Corporate bonds									
Taishin Securities Co.,Ltd. 2020 1st Subordinated Unsecured Common Corporate bonds (B9AB01)	Matures on January 10 2030, the principal repaid at one time, the interest paid on January 10 every year	100	1,000,000	\$ 100,000	1.35	(\$ 25)	(\$ 3,770)	\$ 96,205	
Cathay Financial Holdings Co., Ltd. 2020 2nd Unsecured Common Corporate Bonds Note D (B98912)	Mature on September 8, 2030, the principal repaid at one time, the interest paid on September 8 every year.	100	1,000,000	100,000	0.70	(18)	(6,148)	93,834	
Taiwan Life Insurance Co., Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds - Note A (B99702)	Matures on July 21 2033, the principal repaid at one time, the interest paid on July 21 every year	100	1,000,000	100,000	3.75	(28)	-	99,972	
Taiwan Life Insurance Co., Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds - Note B (B99703)	Matures on July 21 2038, the principal repaid at one time, the interest paid on July 21 every year	100	1,000,000	100,000	3.88	(28)	-	99,972	
2023 1st unsecured cumulative subordinated corporate bonds of KGI Life Insurance Co., Ltd. (B9AK02)	Matures on July 25 2033, the principal repaid at one time, the interest paid on July 25 every year	140	1,000,000	140,000	3.75	(4)	-	139,996	
Fubon Life Insurance Co., Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds - Note A (B99503)	Matures on September 5, 2033, the principal repaid at one time, the interest paid on September 05 every year.	140	1,000,000	140,000	3.70	(2)	-	139,998	
Fubon Life Insurance Co., Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds - Note B (B99504)	Matures on September 5, 2038, the principal repaid at one time, the interest paid on September 05 every year.	140	1,000,000	140,000	3.85	(2)	-	139,998	

(To be continued)

(Continued)

Title	Summary	Shares	Face Value (NT\$)	Total amount	Interest rate %	Allowance loss	Unamortized premium (discount)	Carrying Amount	Remarks
Fubon Life Insurance Co., Ltd. 2023 2nd Unsecured Cumulative Subordinated Common Corporate Bonds - Note A (B99505)	Matures on November 7, 2033, the principal repaid at one time, the interest paid on November 7 every year.	50	1,000,000	\$ 50,000	3.70	(\$ 1)	\$ -	\$ 49,999	
2023 1st unsecured cumulative subordinated common corporate bonds of Shin Kong Life Insurance Co., Ltd. (B99004)	Matures on October 26, 2033, the principal repaid at one time, the interest paid on October 26 every year	140	1,000,000	140,000	4.00	(37)	-	139,963	
Nan Shan Life Insurance Company Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds - Note A (B99404)	Matures on October 26, 2033, the principal repaid at one time, the interest paid on October 26 every year	140	1,000,000	140,000	3.75	(2)	-	139,998	
Nan Shan Life Insurance Company Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds -Note B (B99405)	Matures on October 26, 2038, the principal repaid at one time, the interest paid on October 26 every year	140	1,000,000	140,000	3.88	(2)	-	139,998	
Nan Shan Life Insurance Company Ltd. 2023 1st Unsecured Cumulative Subordinated Common Corporate Bonds - Note A (B99406)	Matures on January 4, 2024, the principal repaid at one time, the interest paid on January 4 every year	100	1,000,000	100,000	3.75	(2)	-	99,998	
Cathay Life Insurance Co., Ltd. 2024 1st Unsecured Cumulative Subordinated Corporate Bonds - Note B (B99608)	Matures on April 24, 2039, the principal repaid at one time, the interest paid on April 24 every year	240	1,000,000	240,000	3.85	(4)	64	240,060	
Fubon Life Insurance Co., Ltd. 2024 1st Unsecured Cumulative Subordinated Corporate Bonds - Note B (B99508)	Matures on June 12, 2039, the principal repaid at one time, the interest paid on June 12 every year	100	1,000,000	100,000	3.85	(2)	-	99,998	
Nan Shan Life Insurance Co., Ltd. 2024 1st Unsecured Cumulative Subordinated Corporate Bonds - Note B (B99409)	Matures on June 28 2039, the principal repaid at one time, the interest paid on June 28 every year	100	1,000,000	100,000	3.88	(2)	-	99,998	

(To be continued)

(Continued)

Title	Summary	Shares	Face Value (NT\$)		Total amount	Interest rate %	Allowance loss	Unamortized premium (discount)	Carrying Amount	Remarks
KGI Life Insurance Co., Ltd. 2024 1st Unsecured Cumulative Subordinated Corporate Bonds (Series A)(B9AK03)	Matures on September 13 2034, the principal repaid at one time, the interest paid on September 13 every year	140	1,000,000		\$ 140,000	3.75	(\$ 4)	\$ -	\$ 139,996	
KGI Life Insurance Co., Ltd. 2024 1st Unsecured Cumulative Subordinated Corporate Bonds (Series B) (B9AK04)	Matures on September 13 2039, the principal repaid at one time, the interest paid on September 13 every year	140	1,000,000		140,000	3.88	(4)	-	139,996	
Fubon Life Insurance Co., Ltd. 2024 2nd Unsecured Cumulative Subordinated Corporate Bonds - Note B (B99510)	Matures on October 23, 2039, the principal repaid at one time, the interest paid on October 23 every year.	100	1,000,000		100,000	3.85	(2)	-	99,998	
Nan Shan Life Insurance Co., Ltd. 2024 2nd Unsecured Cumulative Subordinated Corporate Bonds - Note B (B99411)	Matures on December 3 2039, the principal repaid at one time, the interest paid on December 3 every year	100	1,000,000		100,000	3.88	(2)	-	99,998	
TAISEM 2 1/4 04/23/31(Y70339)	Matures on April 23, 2031, the interests are repaid every six months, the principal is repaid at once when matures.	4,000	USD	1,000	USD 4,000	2.25	(2)	(14,880)	111,248	
BAC 5.288 04/25/34 (Y70786)	Matures on April 25, 2034, the interests are repaid every six months, the principal is repaid at once when mature.	4,000	USD	1,000	USD 4,000	5.29	(4)	(415)	125,277	
JPM 2.963 01/25/33 (Y71017)	Matures on January 25, 2033, the interests are repaid every six months, the principal is repaid at once when mature.	4,000	USD	1,000	USD 4,000	2.96	(3)	(13,876)	112,393	
							(180)	(39,025)	2,648,893	
Financial bonds										
Subordinated financial bonds, phase 2, 2022, Taipei Fubon Commercial Bank Co., Ltd. (G107C8)	Matures on June 28 2029, the principal repaid at one time, the interest paid on June 28 every year	5	10,000,000		50,000	2.00	(2)	-	49,998	
Subordinated financial bonds, phase 1, 2022, O-Bank Co., Ltd. (G11741)	Matures on September 27, 2029, the principal repaid at one time, the interest paid on September 27 every year.	10	10,000,000		100,000	2.30	(26)	-	99,974	
Subordinated financial bonds, phase 1, 2023, O-Bank Co., Ltd. (G11742)	Matures on April 27, 2030, the principal repaid at one time, the interest paid on April 27 every year.	10	10,000,000		100,000	2.00	(26)	-	99,974	

(To be continued)

(Continued)

Title	Summary	Shares	Face Value (NT\$)	Total amount	Interest rate %	Allowance loss	Unamortized premium (discount)	Carrying Amount	Remarks
Subordinated financial bonds, phase 2, 2022, Yuanta Commercial Bank Co., Ltd. (G10829)	Matures on November 24, 2029, the principal repaid at one time, the interest paid on November 24 every year	10	10,000,000	\$ 100,000	2.40	(\$ 29)	\$ -	\$ 99,971	
Non-cumulative unsecured perpetual subordinated financial bonds, phase 4, 2022, LAND BANK OF TAIWAN CO., LTD. (G12737)	Matures on December 14, 2029, the principal repaid at one time, the interest paid on December 14 every year.	10	10,000,000	100,000	2.30	(3)	-	99,997	
Subordinated financial bonds, phase 4, 2022, E.SUN COMMERCIAL BANK, LTD. (G102B9)	Matures on December 27, 2029, the principal repaid at one time, the interest paid on December 27 every year.	10	10,000,000	100,000	2.30	(4)	-	99,996	
2023 1st long-term subordinated financial bonds of Sunny Bank Ltd. (G12256)	Matures on March 21 2030, the principal repaid at one time, the interest paid on March 21 every year	10	10,000,000	100,000	2.55	(3)	-	99,997	
						(93)	-	649,907	
						(\$ 273)	(\$ 39,025)	\$ 3,298,800	

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Investment accounted for using equity method
2025

Statement 8

Unit: NT\$ Thousand

Title	Balance - beginning of year		Increase in the year		Decrease in the year		Balance - end of year			Market value or net worth		
	Shares (thousand shares)	Amount	Shares (thousand shares)	Amount	Shares (thousand shares)	Amount	Shares (thousand shares)	Shareholding Ratio %	Amount	Unit price	Total value	Collateralized or pledged
Top Taiwan X Venture Capital Co., Ltd. (Note 1)	16,459	\$ 219,628	-	\$ -	3,950	\$ 123,190	12,509	24.75	\$ 96,438		\$ -	None
AcSun Energy Inc. (Note 2)	20,000	208,234	-	4,662	-	6,751	20,000	20.00	206,145		-	None

Note 1: The decrease of NT\$123,190 thousand this year was due to changes in the associated companies and joint ventures accounted for using the equity method, amounting to NT\$26,084 thousand; a refund of the payment through capital decrease of NT\$39,501 thousand; and the collection of cash dividends of NT\$57,605 thousand.

Note 2: The increase of NT\$4,662 thousand this year resulted from changes in associated companies and joint ventures accounted for using the equity method, while the decrease of NT\$6,751 thousand was due to the collection of cash dividends.

Taiwan Fire & Marine Insurance Co., Ltd.
Due from/to reinsurers and ceding companies
December 31, 2025

Statement 9

Unit: NT\$ Thousand

Summary	Debit balance	Summary	Credit balance	Remarks
Due from reinsurers and ceding companies		Due to reinsurers and ceding companies		
Korean Reinsurance Company	\$ 63,285	Taiwan Residential Earthquake Insurance Fund (TREIF)	\$ 63,150	
The Non-Life Insurance Association of the R.O.C.	43,474	The Non-Life Insurance Association of the R.O.C.	40,725	
Sompo Japan Insurance Inc.	18,312	Transatlantic Reinsurance Company Singapore Branch	40,235	
Taiwan Residential Earthquake Insurance Fund (TREIF)	13,633	Everest Reinsurance Company	37,159	
MS First Capital Insurance Limited	13,261	Swiss Re Asia Pte. Ltd. Hong Kong Branch	35,636	
Others (Note)	68,435	Taiping Reinsurance Co., Ltd.	33,967	
Less: allowance loss	(<u>3,416</u>)	Others (Note)	<u>282,111</u>	
	<u>\$ 216,984</u>		<u>\$ 532,983</u>	

Note: the cumulation of the balance of each client under 5% of the balance of this account.

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Changes in Intangible Assets
From January 1 to December 31, 2025

Statement 10

Unit: NT\$ Thousand

	Balance - beginning of year	Increase in the year	Decrease in the year	Balance - end of year	Remarks
Computer software (Note)	<u>\$ 10,588</u>	<u>\$ 2,128</u>	<u>(\$ 6,961)</u>	<u>\$ 5,755</u>	

Note: The increase in the year was primarily a result of the procurement by NT\$2,128 thousand. The decrease in the year was primarily a result of the amortization by NT\$6,961 thousand.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Other assets

December 31, 2025

Statement 11

Unit: NT\$ Thousand

<u>Title</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Refundable Deposit	Bond of Insurance Enterprises	\$ 567,852	
	Performance Bond	83,658	
	Others (Note)	40,500	
Other assets - others	Temporary payments and payment to be carried over	47,752	
	Others (Note)	<u>11,879</u>	
		<u>\$ 751,641</u>	

Note: Cumulation of the balance of each items under 5% of the balance of this account.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Other payable

December 31, 2025

Statement 12

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Expenses payable	Salary, remuneration and bonus	\$ 556,186
	Others (Note)	73,823
Other payable	Taxes payable	34,023
	Others (Note)	<u>32,206</u>
		<u>\$ 696,238</u>

Note: Cumulation of the balance of each items under 5% of the balance of this account.

Taiwan Fire & Marine Insurance Co., Ltd.
Detailed list of reinsurance reserve assets and insurance liabilities
From January 1 to December 31, 2025

Statement 13

Unit: NT\$ Thousand

Item	Balance - beginning of year	Net changes of the Year	Other changed amount	Balance - end of year	Remarks
Unearned premium reserves					
Total amount:					
One-year Residential Fire Insurance	\$ 211,597	\$ 7,420	\$ -	\$ 219,017	
One-year Commercial Fire Insurance	359,809	17,691	-	377,500	
General Personal Automobile Physical Damage Insurance	614,433	(23,277)	-	591,156	
General Personal Automobile Liability Insurance	1,016,553	(2,606)	-	1,013,947	
Engineering Insurance	305,226	119,585	-	424,811	
Personal Accident Insurance	273,464	(7,840)	-	265,624	
Others	<u>1,345,161</u>	<u>75,239</u>	<u>-</u>	<u>1,420,400</u>	
	<u>4,126,243</u>	<u>186,212</u>	<u>-</u>	<u>4,312,455</u>	
Split as:					
One-year Commercial Fire Insurance	229,423	11,617	-	241,040	
Compulsory Automobile Liability Insurance	90,185	(3,729)	-	86,456	
Compulsory Motorcycle Liability Insurance	83,316	(1,338)	-	81,978	
General Liability Insurance	97,282	7,089	-	104,371	
Engineering Insurance	176,620	85,270	-	261,890	
Commercial earthquake insurance	66,391	2,213	-	68,604	
Others	<u>254,042</u>	<u>45,449</u>	<u>-</u>	<u>299,491</u>	
	<u>997,259</u>	<u>146,571</u>	<u>-</u>	<u>1,143,830</u>	
	<u>3,128,984</u>	<u>39,641</u>	<u>-</u>	<u>3,168,625</u>	
Change in special reserves					
Special reserves for material accidents:					
Commercial earthquake insurance	72,271	(812)	-	71,459	
Typhoon and Flood Insurance	<u>62,456</u>	<u>(20,000)</u>	<u>-</u>	<u>42,456</u>	
	<u>134,727</u>	<u>(20,812)</u>	<u>-</u>	<u>113,915</u>	
Special reserves for hazard changes:					
Commercial earthquake insurance	459,491	-	-	459,491	
Typhoon and Flood Insurance	<u>129,159</u>	<u>-</u>	<u>-</u>	<u>129,159</u>	
	<u>588,650</u>	<u>-</u>	<u>-</u>	<u>588,650</u>	

(To be continued)

(Continued)

Item	Balance - beginning of year	Net changes of the Year	Other changed amount	Balance - end of year	Remarks
Other special reserves:					
Compulsory Automobile Liability Insurance	\$ 425,334	\$ 37,975	\$ -	\$ 463,309	
Compulsory Commercial Automobile Liability Insurance	82,910	(744)	-	82,166	
Compulsory Motorcycle Liability Insurance	658,816	22,898	-	681,714	
Nuclear Energy Insurance	66,260	-	-	66,260	
Residential Earthquake Insurance	164,045	-	-	164,045	
Compulsory liability insurance for mini electric two-wheeled vehicle	(329)	(4)	-	(333)	
	<u>1,397,036</u>	<u>60,125</u>	<u>-</u>	<u>1,457,161</u>	
	<u>2,120,413</u>	<u>39,313</u>	<u>-</u>	<u>2,159,726</u>	
Claim reserves					
Total amount:					
Reported but not yet paid					
One-year Commercial Fire Insurance	480,491	(162,798)	-	317,693	
Marine Hull Insurance	163,190	39,523	-	202,713	
Marine Cargo Insurance	139,088	73,134	-	212,222	
General Personal Automobile Physical Damage Insurance	199,329	(845)	-	198,484	
General Personal Automobile Liability Insurance	853,275	30,456	-	883,731	
Engineering Insurance	329,584	661,601	-	991,185	
Others	<u>1,227,786</u>	<u>(92,576)</u>	<u>-</u>	<u>1,135,210</u>	
	<u>3,392,743</u>	<u>548,495</u>	<u>-</u>	<u>3,941,238</u>	
Not yet reported					
General Personal Automobile Liability Insurance	159,954	683	-	160,637	
General Liability Insurance	52,983	11,303	-	64,286	
Engineering Insurance	44,908	48,765	-	93,673	
Compulsory Automobile Liability Insurance	243,444	(2,173)	-	241,271	
Compulsory Motorcycle Liability Insurance	229,990	(2,731)	-	227,259	
Personal Accident Insurance	93,894	10,025	-	103,919	
Others	<u>353,400</u>	<u>3,318</u>	<u>-</u>	<u>356,718</u>	
	<u>1,178,573</u>	<u>69,190</u>	<u>-</u>	<u>1,247,763</u>	
	<u>4,571,316</u>	<u>617,685</u>	<u>-</u>	<u>5,189,001</u>	
Split as:					
Reported but not yet paid					
One-year Commercial Fire Insurance	271,826	(93,723)	-	178,103	
Marine Cargo Insurance	108,073	56,211	-	164,284	
Marine Hull Insurance	140,568	41,275	-	181,843	
Engineering Insurance	202,045	621,631	-	823,676	
Commercial earthquake insurance	285,727	(114,910)	-	170,817	
Others	<u>255,337</u>	<u>61,764</u>	<u>-</u>	<u>317,101</u>	
	<u>1,263,576</u>	<u>572,248</u>	<u>-</u>	<u>1,835,824</u>	

(To be continued)

(Continued)

Item	Balance - beginning of year	Net changes of the Year	Other changed amount	Balance - end of year	Remarks
Not yet reported					
One-year Commercial Fire Insurance	\$ 22,500	\$ 2,400	\$ -	\$ 24,900	
Engineering Insurance	20,300	23,300	-	43,600	
Marine Cargo Insurance	39,200	6,600	-	45,800	
Compulsory Automobile Liability Insurance	104,791	(36)	-	104,755	
Compulsory Commercial Automobile Liability Insurance	20,879	1,973	-	22,852	
Compulsory Motorcycle Liability Insurance	98,534	(947)	-	97,587	
General Liability Insurance	29,800	8,700	-	38,500	
Others	<u>77,515</u>	<u>(6,819)</u>	<u>-</u>	<u>70,696</u>	
	<u>413,519</u>	<u>35,171</u>	<u>-</u>	<u>448,690</u>	
Accumulated impairment	<u>(25)</u>	<u>-</u>	<u>8</u>	<u>(17)</u>	
	<u>1,677,070</u>	<u>607,419</u>	<u>8</u>	<u>2,284,497</u>	
	<u>2,894,246</u>	<u>10,266</u>	<u>(8)</u>	<u>2,904,504</u>	
Premium deficiency reserves					
Total amount:					
Marine Hull Insurance	3,318	819	-	4,137	
Fishing Vessel Insurance	927	540	-	1,467	
Aviation Insurance	2,663	136	-	2,799	
Others	<u>125</u>	<u>311</u>	<u>-</u>	<u>436</u>	
	<u>7,033</u>	<u>1,806</u>	<u>-</u>	<u>8,839</u>	
	<u>\$ 8,150,676</u>	<u>\$ 91,026</u>	<u>(\$ 8)</u>	<u>\$ 8,241,694</u>	

Note: the balance of each insurance type less than 5% of the total are stated collectively.

Taiwan Fire & Marine Insurance Co., Ltd.

Detailed list for changes of special profit reserves (material accidents or hazard changes special reserves)

From January 1 to December 31, 2025

Statement 14

Unit: NT\$ Thousand

Item	Balance - beginning of year	Appropriation for the Year	Recovery for the Year	Balance - end of year	Remarks
One-year Residential Fire Insurance	\$ 231,614	\$ 29,576	\$ 14,666	\$ 246,524	
Long-term Residential Fire Insurance	5,453	514	-	5,967	
One-year Commercial Fire Insurance	163,135	22,884	-	186,019	
Long-term Commercial Fire Insurance	1,393	46	-	1,439	
Inland Marine Insurance	2,766	189	883	2,072	
Marine Cargo Insurance	47,245	6,399	-	53,644	
Marine Hull Insurance	10,704	1,219	-	11,923	
Fishing Vessel Insurance	10,342	645	365	10,622	
Aviation Insurance	1,362	213	-	1,575	
General Personal Automobile Physical Damage Insurance	327,108	37,974	-	365,082	
General Commercial Automobile Physical Damage Insurance	5,772	1,074	-	6,846	
General Personal Automobile Liability Insurance	232,758	54,688	-	287,446	
General Commercial Automobile Liability Insurance	61,520	4,605	-	66,125	
General Liability Insurance	103,960	18,096	-	122,056	
Professional Liability Insurance	3,795	768	122	4,441	
Engineering Insurance	48,938	3,275	-	52,213	
Nuclear Energy Insurance	47,055	2,349	-	49,404	
Bonding Insurance	6,140	463	132	6,471	
Credit Insurance	1,365	636	367	1,634	
Miscellaneous Insurance	56,525	1,431	-	57,956	
Personal Accident Insurance	233,359	41,010	18,940	255,429	
Commercial earthquake insurance	358,286	37,019	-	395,305	
Personal Comprehensive Insurance	32,388	9,311	-	41,699	
Commercial Comprehensive Insurance	22,827	3,203	472	25,558	
Typhoon and Flood Insurance	242,338	36,747	-	279,085	
Residential Earthquake Insurance	629,868	68,638	-	698,506	
One-year Health Insurance	18,612	17,267	-	35,879	
Overseas division business	1,464	168	421	1,211	
Total	<u>\$ 2,908,092</u>	<u>\$ 400,407</u>	<u>\$ 36,368</u>	<u>\$ 3,272,131</u>	

Taiwan Fire & Marine Insurance Co., Ltd.

Calculation table for provision of special reserve (special reserve for material accidents and hazard changes)

From January 1 to December 31, 2025

Statement 15

Unit: NT\$ Thousand

Insurance type	Earned premium retained	Expected claims			Appropriation of special reserves in the year				
		Expected loss ratio	Amount of expected claims	Retained claims	Reserve ratio	Allowance for reserve at specific ratio	Allowance for reserve less than expected claims	Effect of income tax	Total reserves
One-year Residential Fire Insurance	\$ 366,199	56.25%	\$ 205,987	\$ 32,760	3%	\$ 10,986	\$ 25,984	(\$ 7,394)	\$ 29,576
Long-term Residential Fire Insurance	7,507	55.50%	4,167	388	1%	75	568	(129)	514
One-year Commercial Fire Insurance	254,921	57.69%	147,064	41,340	5%	12,746	15,859	(5,721)	22,884
Long-term Commercial Fire Insurance	438	54.50%	239	-	5%	22	35	(11)	46
Inland Marine Insurance	2,106	60.50%	1,275	124	3%	63	173	(47)	189
Marine Cargo Insurance	87,154	58.50%	50,985	26,715	5%	4,358	3,641	(1,600)	6,399
Marine Hull Insurance	15,737	68.30%	10,748	5,836	5%	787	737	(305)	1,219
Fishing Vessel Insurance	6,957	69.30%	4,821	1,767	5%	348	458	(161)	645
Aviation Insurance	2,186	72.30%	1,580	820	7%	153	113	(53)	213
General Personal Automobile Physical Damage Insurance	1,139,381	69.44%	791,186	550,696	1%	11,394	36,073	(9,493)	37,974
General Commercial Automobile Physical Damage Insurance	33,256	66.22%	22,021	15,285	1%	333	1,009	(268)	1,074
General Personal Automobile Liability Insurance	1,914,555	70.54%	1,350,527	1,022,426	1%	19,146	49,214	(13,672)	54,688
General Commercial Automobile Liability Insurance	327,451	69.40%	227,252	210,711	1%	3,275	2,481	(1,151)	4,605
General Liability Insurance	241,492	70.16%	174,751	40,049	1%	2,415	20,205	(4,524)	18,096
Professional Liability Insurance	7,879	70.19%	5,530	(348)	1%	79	881	(192)	768
Engineering Insurance	81,870	59.30%	48,549	111,929	5%	4,093	1	(819)	3,275
Nuclear Energy Insurance	5,871	65.00%	3,817	1,011	0%	-	2,936	(587)	2,349
Bonding Insurance	5,681	73.74%	4,212	1,493	3%	170	409	(116)	463
Credit Insurance	2,848	66.30%	1,888	(2,844)	3%	85	710	(159)	636
Miscellaneous Insurance	18,589	74.45%	13,839	10,761	3%	558	1,231	(358)	1,431
Personal Accident Insurance	703,666	70.69%、82%	511,513	233,290	1%、3%	9,529	41,734	(10,253)	41,010
Commercial earthquake insurance	105,421	60.00%	63,253	12,206	7%	7,379	38,895	(9,255)	37,019
Personal Comprehensive Insurance	190,250	69.45%	132,128	67,215	1%	1,902	9,737	(2,328)	9,311
Commercial Comprehensive Insurance	33,748	65.30%	22,038	2,095	3%	1,012	2,992	(801)	3,203
Typhoon and Flood Insurance	82,612	60.00%	49,568	(2,999)	7%	5,783	40,151	(9,187)	36,747
Residential Earthquake Insurance	87,524	85.00%	-	1,727	0%	-	85,798	(17,160)	68,638
One-year Health Insurance	154,818	79.56%	123,173	10,243	3%	4,645	16,939	(4,317)	17,267
Overseas division business	48	56.79%~74.45%	28	(1,360)	1%~7%	2	208	(42)	168
Total	\$ 5,880,165		\$ 3,972,139	\$ 2,393,336		\$ 101,338	\$ 399,172	(\$ 100,103)	\$ 400,407

Taiwan Fire & Marine Insurance Co., Ltd.

Calculation table for recovery of special reserves (special reserve for material accidents and hazard changes)

From January 1 to December 31, 2025

Statement 16

Unit: NT\$ Thousand

Insurance type	Special reserve accumulated from the previous period	Special reserve accumulated from the previous period plus the special reserve provided in the period	Recovery of special reserve in the year					Accumulated special reserves in the year
			Recovered amount in excess of expected claims	Recovered amount in excess of retained earned premium	Recovered amount from special reserves for material accidents	Effect of income tax	Total recovered amount	
One-year Residential Fire Insurance	\$ 231,614	\$ 261,190	\$ -	\$ 18,332	\$ -	(\$ 3,666)	\$ 14,666	\$ 246,524
Long-term Residential Fire Insurance	5,453	5,967	-	-	-	-	-	5,967
One-year Commercial Fire Insurance	163,135	186,019	-	-	-	-	-	186,019
Long-term Commercial Fire Insurance	1,393	1,439	-	-	-	-	-	1,439
Inland Marine Insurance	2,766	2,955	-	1,104	-	(221)	883	2,072
Marine Cargo Insurance	47,245	53,644	-	-	-	-	-	53,644
Marine Hull Insurance	10,704	11,923	-	-	-	-	-	11,923
Fishing Vessel Insurance	10,342	10,987	-	456	-	(91)	365	10,622
Aviation Insurance	1,362	1,575	-	-	-	-	-	1,575
General Personal Automobile Physical Damage Insurance	327,108	365,082	-	-	-	-	-	365,082
General Commercial Automobile Physical Damage Insurance	5,772	6,846	-	-	-	-	-	6,846
General Personal Automobile Liability Insurance	232,758	287,446	-	-	-	-	-	287,446
General Commercial Automobile Liability Insurance	61,520	66,125	-	-	-	-	-	66,125
General Liability Insurance	103,960	122,056	-	-	-	-	-	122,056
Professional Liability Insurance	3,795	4,563	-	152	-	(30)	122	4,441
Engineering Insurance	48,938	52,213	-	-	-	-	-	52,213
Nuclear Energy Insurance	47,055	49,404	-	-	-	-	-	49,404
Bonding Insurance	6,140	6,603	-	165	-	(33)	132	6,471
Credit Insurance	1,365	2,001	-	458	-	(91)	367	1,634
Miscellaneous Insurance	56,525	57,956	-	-	-	-	-	57,956
Personal Accident Insurance	233,359	274,369	-	23,675	-	(4,735)	18,940	255,429
Commercial earthquake insurance	358,286	395,305	-	-	-	-	-	395,305
Personal Comprehensive Insurance	32,388	41,699	-	-	-	-	-	41,699
Commercial Comprehensive Insurance	22,827	26,030	-	591	-	(119)	472	25,558
Typhoon and Flood Insurance	242,338	279,085	-	-	-	-	-	279,085
Residential Earthquake Insurance	629,868	698,506	-	-	-	-	-	698,506
One-year Health Insurance	18,612	35,879	-	-	-	-	-	35,879
Overseas division business	1,464	1,632	-	527	-	(106)	421	1,211
Total	<u>\$ 2,908,092</u>	<u>\$ 3,308,499</u>	<u>\$ -</u>	<u>\$ 45,460</u>	<u>\$ -</u>	<u>(\$ 9,092)</u>	<u>\$ 36,368</u>	<u>\$ 3,272,131</u>

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Lease liabilities

December 31, 2025

Statement 17

Unit: NT\$ thousand, unless specified otherwise

<u>Title</u>	<u>Summary</u>	<u>Term of lease</u>	<u>Discount rate</u>	<u>Balance - ending</u>
Land	Land	2023/2/1-2028/1/31	2.992%	\$ 1,404
Building	Service Center	2021/1/1-2032/12/31	2.366%~3.244%	43,237
Transport equipment	Company car	2023/1/18-2028/1/17	2.867%~3.244%	<u>4,419</u>
				<u>\$ 49,060</u>

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Other liabilities

December 31, 2025

Statement 18

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Guarantee deposits received	Guarantee deposits for lease	\$ 32,076	
Temporary receipts		130,569	
Other liabilities - others (Note)		<u>1,000</u>	
		<u>\$ 163,645</u>	

Note: Cumulation of the balance of each items under 5% of the balance of this account.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of retained earned premium

From January 1 to December 31, 2025

Statement 19

Unit: NT\$ thousand, unless specified otherwise

Insurance type	Premium revenues	Reinsurance premium revenues	Expenses for reinsurance	Premium retained	Method of appropriation	Net changes of unearned premium reserves	Earned premium retained
One-year Residential Fire Insurance	\$ 373,619	\$ -	\$ -	\$ 373,619	註十	\$ 7,420	\$ 366,199
Long-term Residential Fire Insurance	(24)	-	(1,932)	1,908	註一	(5,599)	7,507
One-year Commercial Fire Insurance	873,248	19,848	632,101	260,995	註十	6,074	254,921
Long-term Commercial Fire Insurance	-	-	6	(6)	註一	(444)	438
Inland Marine Insurance	3,222	-	1,255	1,967	註五	(139)	2,106
Marine Cargo Insurance	426,449	1,007	340,594	86,862	註五	(292)	87,154
Marine Hull Insurance	134,493	461	118,845	16,109	註十	372	15,737
Fishing Vessel Insurance	82,176	48	75,813	6,411	註十	(546)	6,957
Aviation Insurance	83,357	976	82,048	2,285	註十	99	2,186
General Personal Automobile Physical Damage Insurance	1,126,476	-	9,470	1,117,006	註十	(22,375)	1,139,381
General Commercial Automobile Physical Damage Insurance	31,860	-	52	31,808	註十	(1,448)	33,256
General Personal Automobile Liability Insurance	1,924,070	-	12,067	1,912,003	註十	(2,552)	1,914,555
General Commercial Automobile Liability Insurance	343,412	-	2,634	340,778	註十	13,327	327,451
Compulsory Automobile Liability Insurance	383,742	131,781	172,912	342,611	註三	(6,791)	349,402
Compulsory Commercial Automobile Liability Insurance	93,040	23,739	51,435	65,344	註三	737	64,607
Compulsory Motorcycle Liability Insurance	252,204	96,675	118,589	230,290	註三	(3,626)	233,916
General Liability Insurance	438,307	2,177	249,800	190,684	註十及十一	7,783	182,901
Professional Liability Insurance	30,637	236	24,240	6,633	註十	(1,246)	7,879
Engineering Insurance	475,607	70,359	429,781	116,185	註六及十	34,315	81,870
Nuclear Energy Insurance	-	6,039	-	6,039	註四	168	5,871
Bonding Insurance	7,589	2,331	3,713	6,207	註十及十二	526	5,681
Credit Insurance	1,181	-	-	1,181	註七	(1,667)	2,848
Miscellaneous Insurance	115,312	5,218	98,706	21,824	註十	3,235	18,589
Personal Accident Insurance	697,027	5,868	37,822	665,073	註五、八及十	(6,147)	671,220
Commercial earthquake insurance	282,538	27,470	201,182	108,826	註十	3,405	105,421
Personal Comprehensive Insurance	208,715	-	9,252	199,463	註十	9,213	190,250
Commercial Comprehensive Insurance	48,747	-	14,624	34,123	註十	375	33,748
Typhoon and Flood Insurance	218,771	8,689	145,099	82,361	註十	(251)	82,612
Residential Earthquake Insurance	676,125	88,028	676,125	88,028	註二	504	87,524
One-year Health Insurance	159,730	-	9	159,721	註十	4,903	154,818
Compulsory liability insurance for mini electric two-wheeled vehicle	1,949	1,719	711	2,957	註十	301	2,656
Overseas division business	-	92	37	55	註三	7	48
	<u>\$ 9,493,579</u>	<u>\$ 492,761</u>	<u>\$ 3,506,990</u>	<u>\$ 6,479,350</u>		<u>\$ 39,641</u>	<u>\$ 6,439,709</u>

- Note 1: Long-term fire insurance is appropriated by the revised factor list approved by Jin-Tai-Cai-Bao-Zi No. 852363214
- Note 2: Residential earthquake insurances as a government policy is appropriated based on the requirement of the “Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance” issued by Jin-Guan-Bao-Chan-Zi No. 11304909161 on March 27, 2024.
- Note 3: Compulsory insurances for automobiles, motorcycles and mini electric two-wheeled vehicle is deposited based on Order Jin-Guan-Bao-Chan-Zi No. 11104617461, and appropriated based on Order Jin-Guan-Bao-Chan-Zi No. 11304929711.
- Note 4: Nuclear insurance is appropriated based on Letter Jin-Guan-Bao-Cai-Zi No. 10102517091 on December 28, 2012.
- Note 5: Goods transportation insurance and the travel comprehensive insurance under the casualty type are appropriated based on the premiums of written valid policies by the average day assumption.
- Note 6: Engineering insurance assumes the risks increase proportionally with time.
- Note 7: Credit insurance is appropriated by the specified ration filed to the MOF in the “consumer credit loan insurance” in September 2001 and the “financial institutions’ micro credit loan insurance” in August 2005 by the Non-Life Insurance Association.
- Note 8: In terms casualty type, the group insurance products are appropriated based on the method in Note 10 and the premium basis specified in Letter Jin-Guan-Bao-Cai-Zi No. 11004925801 on June 29, 2021.
- Note 9: Based on Article 6, the “Methods for Appropriating Each Reserves by Insurers” in Jin-Guan-Bao-Cai-Zi No. 10102501561, the preparation of premium reserves for the overseas reinsurance division business is appropriated based on the nature of the insurance by the actuarial personnel. The Company applies the one-eighth appropriation.
- Note 10: Based on Article 6, the “Regulations Governing Various Reserves of Insurance Enterprises” in Jin-Guan-Bao-Cai-Zi No. 10102501561, the preparation of premium reserves for the other insurance is appropriated based on the nature of the insurance by the actuarial personnel. The Company applies the one twenty-fourth appropriation. This has been approved for reference with MOF Letter Tai-Cai-Bao No. 0920714471 on January 6, 2004.
- Note 11: Liability insurance for travel agencies in the general liability insurance is appropriated based on Letter Jin-Guan-Bao-Er-Zi No. 09402075951 of the Financial Supervisory Commission, Executive Yuan.
- Note 12: Performance bonding insurance for travel agencies in the bonding insurance is appropriated based on Letter Jin-Guan-Bao-Er-Zi No. 09402075952 of the Financial Supervisory Commission, Executive Yuan.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Interest income

December 31, 2025

Statement 20

Unit: NT\$ thousand, unless specified
otherwise

<u>Title</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Bank deposits and interest		\$ 75,911	
Government bond interest		8,153	
Financial bond interest		51,933	
Corporate bond interest		138,037	
Others (Note)		<u>12,263</u>	
Total		<u>\$ 286,297</u>	

Note: Each balance is less than 5% of that under this title.

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of share of profit of associates and joint ventures accounted for using equity
method

From January 1 to December 31, 2025

Statement 21

Unit: NT\$ Thousand

<u>Investment portfolio</u>	<u>Amount</u>	<u>Remarks</u>
Associates:		
Top Taiwan X Venture Capital Co., Ltd.	(\$ 26,084)	
AcSun Energy Inc.	<u>4,662</u>	
	<u>(\$ 21,422)</u>	

Taiwan Fire & Marine Insurance Co., Ltd.
Exchange gain (loss) – Investment Statement
From January 1 to December 31, 2025

Statement 22

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Liability instruments		(\$ 80,744)	
Others (Note)		(<u>4,437</u>)	
		(<u><u>\$ 85,181</u></u>)	

Note: Each balance is less than 5% of that under this title.

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Other Operating Revenues and Costs
From January 1 to December 31, 2025

Statement 23

Unit: NT\$ Thousand

Item	Amount	Remarks
Revenues		
Others (Note)	<u>\$ 2,835</u>	
Cost		
Special compensation fund	\$ 21,092	
Expenditure from Guaranty Funds	17,352	
Others (Note)	<u>9,877</u>	
	<u>\$ 48,321</u>	

Note: Each balance is less than 5% of that under this title.

Taiwan Fire & Marine Insurance Co., Ltd.

Detailed list of retained claims

From January 1 to December 31, 2025

Statement 24

Unit: NT\$ Thousand

Title	Claims (including the claim expenses)	Claims for reinsurance	Refundable Claims for Reinsurance	Retained claims
One-year Residential Fire Insurance	\$ 44,468	\$ -	\$ -	\$ 44,468
Long-term Residential Fire Insurance	3,308	-	165	3,143
One-year Commercial Fire Insurance	301,964	15,386	208,135	109,215
Inland Marine Insurance	2,246	-	1,122	1,124
Marine Cargo Insurance	44,785	(6)	36,587	8,192
Marine Hull Insurance	37,793	345	29,550	8,588
Fishing Vessel Insurance	5,144	2	4,834	310
Aviation Insurance	7,299	(109)	6,438	750
General Personal Automobile Physical Damage Insurance	556,149	-	1,141	555,008
General Commercial Automobile Physical Damage Insurance	15,235	-	-	15,235
General Personal Automobile Liability Insurance	995,518	-	4,531	990,987
General Commercial Automobile Liability Insurance	188,779	-	879	187,900
Compulsory Automobile Liability Insurance	254,260	126,439	153,325	227,374
Compulsory Commercial Automobile Liability Insurance	87,899	23,253	52,317	58,839
Compulsory Motorcycle Liability Insurance	190,303	93,869	110,677	173,497
General Liability Insurance	105,274	5,182	71,999	38,453
Professional Liability Insurance	409	-	307	102
Engineering Insurance	80,538	21,050	52,930	48,658
Nuclear Energy Insurance	-	632	-	632
Bonding Insurance	2,548	-	2,013	535
Credit Insurance	(2,565)	(9)	-	(2,574)
Miscellaneous Insurance	3,618	17,359	10,713	10,266
Personal Accident Insurance	234,468	2,138	28,604	208,000
Commercial earthquake insurance	114,687	1,993	55,717	60,967
Personal Comprehensive Insurance	69,758	-	1,816	67,942
Commercial Comprehensive Insurance	8,757	-	2,627	6,130
Typhoon and Flood Insurance	21,509	418	9,962	11,965
Residential Earthquake Insurance	-	2,012	-	2,012
One-year Health Insurance	6,388	-	561	5,827
Compulsory Liability Insurance for Mini Electric Two-Wheeled Vehicle	777	883	466	1,190
Overseas division business	-	2,440	-	2,440
	<u>\$ 3,381,316</u>	<u>\$ 313,277</u>	<u>\$ 847,416</u>	<u>\$ 2,847,177</u>

Taiwan Fire & Marine Insurance Co., Ltd.

Statement of Service expenses

From January 1 to December 31, 2025

Statement 25

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Salary		\$ 567,933	
Taxation		227,138	
Advertising expenses		56,155	
Other expenses (Note)		<u>269,587</u>	
		<u>\$ 1,120,813</u>	

Note: Expense categories less than 5% of the total are stated collectively.

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Administrative Expenses
From January 1 to December 31, 2025

Statement 26

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Salary		\$ 347,775	
Depreciation		28,944	
Advertising expenses		26,839	
Other expenses (Note)		<u>129,095</u>	
		<u>\$ 532,653</u>	

Note: Expense categories less than 5% of the total are stated collectively.

Taiwan Fire & Marine Insurance Co., Ltd.
Statement of Non-operating income and expenses
From January 1 to December 31, 2025

Statement 27

Unit: NT\$ Thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Interest expense		(\$ 1,399)	
Lease Modification Gains		66	
Others (Note)		(<u>1,026</u>)	
		(<u>\$ 2,359</u>)	

Note: Cumulation of the balance of each items under 5% of the balance of this account.

Taiwan Fire & Marine Insurance
Co., Ltd.

Other disclosures in the Financial
Report
and
ICPA's Review Report
2025

Taiwan Fire & Marine Insurance Co., Ltd.
The CPA review report to other disclosures in the financial reports

To Taiwan Fire & Marine Insurance Co., Ltd.:

We were entrusted to conduct the audit the financial statements of Taiwan Fire & Marine Insurance Co., Ltd. for Year 2025 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards, and also released the audit report on March 12, 2026. The purpose of this CPA audit is to express the opinions to the financial statements as a whole. Attached please also find the other disclosures in the Financial Report for Year 2025, prepared by Taiwan Fire & Marine Insurance Co., Ltd. The document is prepared based on the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” separately, and has been reviewed by the CPAs based on the “Principles for Reviewing Other disclosures in Financial Reports.”

Based on the opinions of the CPAs, the “other disclosures” in the Financial Report for Year 2025, prepared by Taiwan Fire & Marine Insurance Co., Ltd. has disclosed the related information based on the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises”; the contents of the financial information is consistent to the financial statements, and thus there is no need to make materially revisions.

Deloitte & Touche

CPA: Cheng-Hsiu Yang

CPA: Wen-Ya Hsu

March 12, 2026

Taiwan Fire & Marine Insurance Co., Ltd.

“Other disclosures” in the Financial Report

ONE. Description of Business

I. Matters impacting the business of the Company significantly in the last five year

- (I) Acquisition or merge with other companies: None.
- (II) Split: None.
- (III) Major rights of operation (equity) change for 10% or more: None.
- (IV) Transfer of business: None.
- (V) Reinvestment the affiliated companies:

Unit: thousand shares, NT\$ thousand

Reinvested company		2021	2022	2023	2024	2025
Top Taiwan X Venture Capital Co., Ltd.	Shares held	19,800	17,325	16,459	16,459	12,509
	Carrying amount	264,896	182,648	182,198	219,628	96,438
	% of Ownership	24.75%	24.75%	24.75%	24.75%	24.75%
AcSun Energy Inc.	Shares held	-	-	20,000	20,000	20,000
	Carrying amount	-	-	207,341	208,234	206,145
	% of Ownership	-	-	20.00%	20.00%	20.00%

(VI) Restructure: None.

(VII) Acquisition or disposition of material assets:

1. Acquisition of material assets:

Unit: NT\$ Thousand

Year	Name of Assets	Seller	Purchase price	Selling Price	Decision Maker	Current usage
2025	No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City	Senluo Investment Co., Ltd.,	2,000,000	-	Board of Directors	For own use

2. Disposition of material assets:

Unit: NT\$ Thousand

Year	Name of Assets	Buyer	Book Value	Selling Price	Gain (loss) on disposal (Note)	Decision Maker
2024	No. 617, 619, 621 and 2F., No. 621, Zhongzheng Rd., Xinzhuang Dist., New Taipei City	TAROKO Group	-	23,796	23,796	Chairman
2021	Land No. 769, Small Section 3, Xinglung Section, Wenshan District, Taipei City	O-Ming Wang and O-Hsiao Wang	17,609	21,297	3,688	Board of Directors

Note: The gain (loss) on disposal is the amount of selling price deducting the book value (gross amount before deducting land value added tax), land value added tax, and the related expenses.

(VIII) Material changes of operational manner (including the marketing system) or the nature of business:

The Company engages the sales of various insurance and operates the related business. There are no material changes regarding the operational manner or the nature of business in the past five years.

II. Remuneration to the general directors, independent directors, supervisors, presidents and vice presidents, and related information

(I) Remuneration to the general directors, independent directors, supervisors, presidents and vice presidents

1. Remuneration to the general directors and independent directors (names and remuneration thereof to be disclosed individually)

Title	Name (Note 1)	Remuneration to directors								Sum of A, B, C, and D and percentage of net income (%)		Remuneration from concurrently servings as employees								Sum of A, B, C, D, E, F, and G & percentage of net income (%)		Remuneration from investees other than subsidiaries, or parent company
		Wages (A)		Pension upon retirement (B)		Directors' remuneration (C)		Service Expenses (D)				Salary, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Employee Compensation (G)						
		The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company		All companies included into the consolidated financial statements		The Company	All companies included into the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Steve Lee	15,103	15,103	-	-	5,042	5,042	1,811	1,811	21,956 1.77%	21,956 1.77%	-	-	-	-	-	-	-	-	21,956 1.77%	21,956 1.77%	None
Director	Yong-Shin Development Co., Ltd.	-	-	-	-	15,126	15,126	-	-	15,126 1.22%	15,126 1.22%	-	-	-	-	-	-	-	-	15,126 1.22%	15,126 1.22%	None
Director	Bank of Taiwan Co., Ltd.	360	360	-	-	15,126	15,126	230	230	15,716 1.26%	15,716 1.26%	-	-	-	-	-	-	-	-	15,716 1.26%	15,716 1.26%	None

2. Remuneration to the general directors and independent directors (aggregate disclosure of directors' names and range of remuneration)

Title	Name (Note 1)	Remuneration to directors								Sum of A, B, C, and D & percentage of net income (%)		Remuneration from concurrently servings as employees								Sum of A, B, C, D, E, F, and G & percentage of net income (%)		Remuneration from investees other than subsidiaries, or parent company
		Wages (A)		Pension upon retirement (B)		Directors' remuneration (C)		Service Expenses (D)				Salary, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Employee Compensation (G)						
		The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company		All companies included into the consolidated financial statements		The Company	All companies included into the consolidated financial statements			
Chairman	Steve Lee	15,943	15,943	-	-	40,335	40,335	2,773	2,773	59,051 4.75%	59,051 4.75%	-	-	-	-	-	-	-	59,051 4.75%	59,051 4.75%	None	
Director	Yong-Shin Development Co., Ltd.																				None	
Director	Bank of Taiwan Co., Ltd.																				None	
Director	Yong-Shin Development Co., Ltd. Representative: Charles Sung																				None	
Director	Yong-Shin Development Co., Ltd. Representative: Chung-Chou Chang																				None	
Director	Yong-Shin Development Co., Ltd. Representative: Bin-Fu Chen																				None	
Director	Shan Yue Industrial Co., Ltd. Representative: Chain-Cheng Lee																				None	
Director	Bank of Taiwan Co., Ltd. Representative: Mei-Ling, Wu																				None	
Director	Bank of Taiwan Co., Ltd. Representative: Wei-Hsin Wang																				None	
Director	Bank of Taiwan Co., Ltd. Representative: Hsiu-Hsiang Liu (Note 3)																				None	
Director	Bank of Taiwan Co., Ltd. Representative: Yi-Pao Lin (Note 4)																				None	
Independent Director	Liang-Chi Chang	5,400	5,400	-	-	-	-	780	780	6,180 0.50%	6,180 0.50%	-	-	-	-	-	-	-	6,180 0.50%	6,180 0.50%	None	
Independent Director	Cheng Ching Huang																				None	
Independent Director	Nien-Tsu Chiang																				None	
For the remuneration to the Company's independent directors, Article 35-1 of the Articles of Incorporation provides that "If the Company sees a profit in the year, it shall contribute 1%~5% of the same as the remuneration to employees, and no more than 5% to the directors (independent directors).", and the reasonable remuneration shall be given subject to the Company's operating results, and their contribution to the Company, and based on the standard prevailing in the same trade. The remuneration shall be defined in accordance with the Company's regulations governing performance assessment on directors. In addition to the Company's entire operating results, the future business risk and development trend for the industry, the personal performance achievement rate and contribution to the Company will also be taken into account. The related performance assessment and reasonableness of salary and remuneration are already reviewed and approved by Remuneration Committee and Board of Directors. Meanwhile, the remuneration system will be reviewed from time to time subject to the overview of business and related laws, in order to balance the Company's sustainability and risk control.																						

Note: In 2025, the total amount of the compensations to drivers is NT\$2,119 thousand.

Breakdown of remuneration to directors (NT\$)	Directors			
	Sum of foregoing four items (A+B+C+D)		Sum of foregoing seven items (A+B+C+D+E+F+G)	
	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements
Below 1,000,000	Representative of Yong-Shin Development Co., Ltd.: Chung-Chou Chang, Bin-Fu Chen, Charles Sung Representative of Shan Yue Industrial Co., Ltd.: Chien-Cheng Lee Representative of Bank of Taiwan Co., Ltd.: Mei-Ling, Wu, Wei-Hsin Wang, Hsiu-Hsiang Liu, Yi-Pao Lin	Representative of Yong-Shin Development Co., Ltd.: Chung-Chou Chang, Bin-Fu Chen, Charles Sung Representative of Shan Yue Industrial Co., Ltd.: Chien-Cheng Lee Representative of Bank of Taiwan Co., Ltd.: Mei-Ling, Wu, Wei-Hsin Wang, Hsiu-Hsiang Liu, Yi-Pao Lin	Representative of Yong-Shin Development Co., Ltd.: Chung-Chou Chang, Bin-Fu Chen, Charles Sung Representative of Shan Yue Industrial Co., Ltd.: Chien-Cheng Lee Representative of Bank of Taiwan Co., Ltd.: Mei-Ling, Wu, Wei-Hsin Wang, Hsiu-Hsiang Liu, Yi-Pao Lin	Representative of Yong-Shin Development Co., Ltd.: Chung-Chou Chang, Bin-Fu Chen, Charles Sung Representative of Shan Yue Industrial Co., Ltd.: Chien-Cheng Lee Representative of Bank of Taiwan Co., Ltd.: Mei-Ling, Wu, Wei-Hsin Wang, Hsiu-Hsiang Liu, Yi-Pao Lin
1,000,000 (inclusive) ~ 2,000,000 (exclusive)	-	-	-	-
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	Independent Director: Liang-Chi Chang, Cheng Ching Huang, Nien-Tsu Chiang	Independent Director: Liang-Chi Chang, Cheng Ching Huang, Nien-Tsu Chiang	Independent Director: Liang-Chi Chang, Cheng Ching Huang, Nien-Tsu Chiang	Independent Director: Liang-Chi Chang, Cheng Ching Huang, Nien-Tsu Chiang
3,500,000 (inclusive) ~ 5,000,000 (exclusive)	-	-	-	-
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	Shan Yue Industrial Co., Ltd.	Shan Yue Industrial Co., Ltd.	Shan Yue Industrial Co., Ltd.	Shan Yue Industrial Co., Ltd.
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	-	-	-	-
15,000,000 (inclusive) ~ 30,000,000 (exclusive)	Yong-Shin Development Co., Ltd. Bank of Taiwan Co., Ltd. Steve Lee	Yong-Shin Development Co., Ltd. Bank of Taiwan Co., Ltd. Steve Lee	Yong-Shin Development Co., Ltd. Bank of Taiwan Co., Ltd. Steve Lee	Yong-Shin Development Co., Ltd. Bank of Taiwan Co., Ltd. Steve Lee
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	-	-	-	-
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	-	-	-	-
Over 100,000,000	-	-	-	-
Total	15	15	15	15

Note 1: All the companies indicated in the columns of the consolidated statements refer to each remuneration paid to the directors from all companies and the names at each interval.

Note 2: Each payment is disclosed collectively in the table above.

Note 3: Dismissed on February 19, 2025.

Note 4: Office taken newly on February 19, 2025.

3. Remuneration to Supervisor (None)

4. Remuneration to President, and Vice President

Unit: NT\$ thousand, unless specified otherwise

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses and special allowances (C)		Employee Compensation (D)				Sum of A, B, C, and D & percentage of net income (%)		Remuneration from investees other than subsidiaries, or parent company
		The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company	All companies included into the consolidated financial statements	The Company		All companies included into the consolidated financial statements		The Company	All companies included into the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Chao-Feng Chen	17,545	17,545	633	633	15,006	15,006	2,787	-	2,787	-	35,971 2.89%	35,971 2.89%	None
Vice President and also Chief Risk Officer serving as the chief corporate governance officer concurrently	Nicholas N.C. Sheu (Note 2)													None
General Auditor	Hong-Hsing Chuang (Note 3)													None
Senior Vice President	Andrew Hsieh													None
Senior Vice President	Allen Cheng (Note 4)													None
Executive Vice President	Chia-Lin Hsu													None
Vice President	Yuan-Yi Liao (Note 5)													None
Vice President	Wen-Chin Chu (Note 5)													None
Vice President	Su-Chen Lin (Note 6)													None
Chief compliance officer of the head office serving as the AML/CFT compliance officer concurrently	Tsui-Jung Chen													None

Note: In 2025, the total amount of the compensations to drivers is NT\$954 thousand.

Breakdown of remuneration to President and Senior Vice Presidents (NT\$)	President and Senior Vice Presidents	
	The Company	All companies included into the consolidated financial statements
Below 1,000,000	Allen Cheng, Su-Chen Lin	Allen Cheng, Su-Chen Lin
1,000,000 (inclusive) ~ 2,000,000 (exclusive)	-	-
2,000,000 (inclusive) ~ 3,500,000 (exclusive)	Nicholas N.C. Sheu, Hong-Hsing Chuang, Tsui-Jung Chen, Yuan-Yi Liao, Wen-Chin Chu	Nicholas N.C. Sheu, Hong-Hsing Chuang, Tsui-Jung Chen, Yuan-Yi Liao, Wen-Chin Chu
3,500,000 (inclusive) ~ 5,000,000 (exclusive)	Chia-Lin Hsu, Andrew Hsieh	Chia-Lin Hsu, Andrew Hsieh
5,000,000 (inclusive) ~ 10,000,000 (exclusive)	-	-
10,000,000 (inclusive) ~ 15,000,000 (exclusive)	Chao-Feng Chen	Chao-Feng Chen
15,000,000 (inclusive) ~ 30,000,000 (exclusive)	-	-
30,000,000 (inclusive) ~ 50,000,000 (exclusive)	-	-
50,000,000 (inclusive) ~ 100,000,000 (exclusive)	-	-
Over 100,000,000	-	-
Total	10	10

Note 1: All the companies indicated in the columns of the consolidated statements refer to each remuneration paid to the president and senior vice president from all companies and the names at each interval.

Note 2: Dismissed on January 2, 2026.

Note 3: Appointed as General Auditor on May 27, 2025

Note 4: Dismissed on May 7, 2025.

Note 5: Appointed as Vice President on May 1, 2025.

Note 6: Dismissed on July 9, 2025.

5. Managers receiving employee compensation and state of distribution

December 31, 2025

Item	Title	Name	Stock	Cash	Total	The sum and percentage of net income (%)
Managers	President	Chao-Feng Chen	-	6,158	6,158	6,158 0.50%
	Vice President and also Chief Risk Officer serving as the chief corporate governance officer concurrently	Nicholas N.C. Sheu (Note 1)				
	General Auditor	Hong-Hsing Chuang (Note 2)				
	Chief compliance officer of the head office serving as the AML/CFT compliance officer concurrently	Tsui-Jung Chen				
	Executive Vice President	Chia-Lin Hsu				
	Senior Vice President	Andrew Hsieh				
	Senior Vice President	Allen Cheng (Note 3)				
	Vice President	Yuan-Yi Liao (Note 4)				
	Vice President	Wen-Chin Chu (Note 4)				
	Vice President	Su-Chen Lin (Note 5)				
	Senior Assistant Vice President	Chih-Chieh Huang				
	Assistant Vice President	Steven Lin				
	Senior Manager	Yung-Fu Su				
	Senior Manager	Kent Lee				
	Senior Manager	Yu-Jen Hsiao				
	Senior Manager	Chyi-Shyang Chio				
	Senior Manager	Jonathan Tu				
	Senior Manager	Chin-Ho Lin				
	Senior Manager	Chiu-Shan Chung				
	Senior Manager	Chen, Wen				
	Senior Manager	Yi-Ping Wang (Note 6)				
	Senior Manager	Shang-Jen Tung (Note 6)				
	Senior Manager	Chih-Hung Wang (Note 7)				
	Manager	Chih-Hui Hsu				
	Manager	Wun-Bin, Hou				
	Manager	Pen-Chi Yu				
	Manager	Feng-Wei Chen				
	Manager	Kuan-Yu Chen				
	Manager	Ting-Kuo Huang				
	Manager	Shih-Ting Hsiao				
	Manager	Ching-Tsung Lu				
	Manager	Kai-Tsung Hsiao				
	Manager	Ming-Ta Tan				
	Manager	Chih-Pin Hsu				
	Manager	Nan-Chou Liu (Note 8)				
	Manager	Yi-Hsin Lin (Note 8)				
	Chief of accountant	Pi-Chen Wang				

Note 1:Dismissed on January 2, 2026.

Note 2:Appointed as General Auditor on May 27, 2025

Note 3:Dismissed on May 7, 2025.

Note 4:Appointed as Vice President on May 1, 2025.

Note 5:Dismissed on July 9, 2025.

Note 6:Appointed as Senior Manager on May 1, 2025.

Note 7:Dismissed on April 11, 2025.

Note 8:Office taken newly on May 1, 2025.

- (II) Any of the Chairman, President, Managers in charge of financial or accounting affairs working in the firm where the CPAs certifying work or its affiliates within the most recent year: None.

(III) Information about Chairmen and presidents rehired as consultant after retiring

Title	Name	Position before retirement		Date to be rehired as consultant	Purpose of hiring	Responsibility and authority segmentation	Remuneration (Note 1)	The share in the remuneration in the net profit after tax (Note 1, 2)
		Institution and title	Date of retirement					
Senior Consultant	Wen-Yung Li	Chairman of Taiwan Fire & Marine Insurance Co., Ltd.	2003/5/31	2003/6/1	Property insurance business development consultation	Consultant	\$ 928	0.07%
Senior Consultant	Hung-Pin Yang	President of Taiwan Fire & Marine Insurance Co., Ltd.	2010/4/12	2014/6/7	Property insurance business development consultation	Consultant		

Note 1: Should there be the situation indicated in Item 1-2, Subparagraph 2, Article 20 in any insurance enterprise, the remuneration of each consultant shall be disclosed; other remunerations and their shares in the remuneration in the net profit after taxes may be disclosed collectively.

Note 2: Net profit after tax refers to the net profit after tax of individual entity or in individual financial report in the latest year.

III. Information of Relations between laborers and employer

(I) The current employee benefit measures and the implementation:

1. Employee benefit measures

The Company has established the Employee Benefits Committee based on the guidelines of employee benefits/welfare subsidy. Periodical meetings are convened to improve the benefits of employees, and each benefit measure is planned as a part of a whole to promote the life quality of employees. Each benefit measure is described as the following:

- (1) Benefit subsidies: bonus for three major holidays; gift allowance for birthday and wedding, and consolation money for funeral.
- (2) Culture and entertainment: birthday parties, year-end party and lotteries, club events, and outings.
- (3) Other subsidies: relief for emergency, group insurance, group insurance for immediate family members, and health check for employees.

In 2025, except the bonus of three major holidays and gift allowance for wedding of the employees, numerous clubs were established based on the guidance for club subsidies, to encourage employees to participate in recreations and improve the interaction among employees. Meanwhile, taking considerations of the efforts made in the daily course, and to promote the welfare of the employees, the health check was provided to all employees; group insurance is also provided to each employee, including life insurance, casualty insurance, health insurance, cancer insurance among other things, to serve as the safety protection for the employees. Implement an EAP (Employee Assistance Program) to help employees address personal challenges that might affect their work performance, including psychological counseling, legal, financial, and medical resources, in order to improve employee mental health and organizational performance and foster a positive and energetic workplace environment.

2. Training and Education

To encourage employees to further enhance their knowledge regarding insurance operations and related professional knowledge, the Company has establish the awarding guidance for the professional insurance certificates. Generous awards and assistance are provided to encourage employees to obtain various professional permits and certificates while working, thus actively

cultivating insurance professionals. Meanwhile, to enhance the professional literacy of insurance, the Company selects outstanding employees as the internal instructors for periodical educational training, focusing the jobs needed for insurance operations, for the purpose of interaction and legacy of the experiences. In addition, the external professional course may be taken for the needs of development for business and personal career, to capture the market know-how.

The annual training of the Company integrates the internal trainings, trainings from external institutions and internal trainings within each department, and four major functions including “operation functions, core business, sales and marketing, and administration and resources” are the focuses. Trainings for different functions and levels are provided based on the performance and tasks-orientations. In total, the average training hours (both internal and external) per person per month were 47.3 hours, amounting to a total of 43,697 hours. The total number of sessions provided was 674, with 29,732 trainees in total, and the training expenses amounted to NT\$5,346 thousand in 2025.

3. Pension system

To take care the retired employees, as well as to promote the cooperation between the employer and the employees, the pension system is established. Also, to accommodate the enforcement of the Labor Pension Act from July 1, 2005, the pensions are contributed periodically to the personal pension account of each employee under the new scheme. Based on the No. 19 rule of the IAS, actuaries are delegated to assess and calculate for such pension reserves with actuarial reports. Such reports are the key reference for the adjustment to the ratio of pension reserve contributions for the purpose of guarding the interest of the retired employees.

For 2025, the pension reserves contributed for the old scheme to the Trust Department, Bank of Taiwan was NT\$5,041 thousand, and the cumulative amount of the pension in that account by the end of year was NT\$74,902 thousand. For the employees under new scheme, 6% of their monthly wages are contributed to their personal accounts in the Labor Insurance Bureau. In 2025, total contributions to the new labor pension was NT\$31,896 thousand, which shall be able to guard the retired employees adequately.

- (II) Losses resulted from the disputes between the employer and the employees in the last years: None.
- (III) Breaches to the Labor Standards Act found in the labor inspection in the last 3 years: None.

IV. Information Security Management

- (I) The information security management framework, information security policy, specific management policy, and resources invested in the information security management:

The Company's information security regulations follow the "Self-Regulated Information Security Protection Regulations for Insurance Industry" authorized by the competent authority to execute information security protection operations. The Company has also obtained BSI certification and received the ISO 27001 information security management certificate. The Company completed the ISO 27001:2022 revision certification in 2025 to ensure that its information security operations comply with international standards. Meanwhile, the Company improved various EDR, antivirus, and firewall installations, prevented hackers' cyberattacks, and worked with the ISP to support the DDoS Border Gateway Protocol, ensuring the information security of its customers.

- (II) Losses resulting from major information security incidents: None.
- (III) Effect to the Company's business and finance posed by the information security risk, and countermeasures:

The Company has implemented ISO 27001 information security management system. It conducts the information security assessment in accordance with ISO 27001 to fix vulnerabilities on a yearly basis, and also reports on the information security operations to the Board of Directors as required on a yearly basis.

V. Changes of President, Chief Auditor, and Appointed Actuaries in the last 2 years

	2025	2024	2023
President	Chao-Feng Chen	Chao-Feng Chen	Chao-Feng Chen
Chief Auditor	Hong-Hsing Chuang	Su-Chen Lin	Su-Chen Lin
Appointed Actuary	Chin-Ho Lin	Chin-Ho Lin	Chin-Ho Lin

VI. The Changes of the Appropriation of Each Reserves

For the appropriation of each reserves in the year, the amendment to the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” issued with the FSC Order Jin-Guan-Bao-Cai-Zi No. 11104953451 and the amendment to the “Regulations Governing Various Reserves of Insurance Enterprises” in Order Jin-Guan-Bao-Cai-Zi No. 10102501561 are complied with, and the appointed actuaries are hired to certify each reserves.

VII. The insurance enterprise had capital increase/decrease resolved by the general meeting, or the issuance of new shares resolved by the Board of Directors, but such applications (filings) were not approved (or approved to be a reference) by the Financial Supervisory Commission, or the application for changing the registered capital was not approved by the MOEA, in the most recent year: None.

VIII. The analysis to the claim expenses, refunded reinsurance, and the impact to the finance for these claims over NT\$20 million in the last 3 years:

2025:

Unit: NT\$ Thousand

Insurance type	No. of Claim	Date when losses occurred	Amount of claim	Amount of refund	Retained claims	Financial impact (loss)
One-year Commercial Fire Insurance	001014A00165	2025.07.14	108,956	90,278	18,678	18,678

Note: The aforementioned list of the material claims only lists the claims actually paid in the year.

2024:

Unit: NT\$ Thousand

Insurance type	No. of Claim	Date when losses occurred	Amount of claim	Amount of refund	Retained claims	Financial impact (loss)
One-year Commercial Fire Insurance	001011A00042	2022.03.14	45,436	45,436	-	-
Marine Hull Insurance	633112C00004	2023.08.25	24,133	12,066	12,067	12,067

Note: The aforementioned list of the material claims only lists the claims actually paid in the year.

2023:

Unit: NT\$ Thousand

Insurance type	No. of Claim	Date when losses occurred	Amount of claim	Amount of refund	Retained claims	Financial impact (loss)
One-year Commercial Fire Insurance	001011A00042	2022.03.14	22,453	22,453	-	-
One-year Commercial Fire Insurance	001011A00071	2022.03.15	20,993	8,397	12,596	12,596
One-year Commercial Fire Insurance	001012A00059	2023.03.09	33,355	15,343	18,012	18,012
Engineering Insurance	669412000004	2022.09.07	129,161	103,329	25,832	25,832

Note: The aforementioned list of the material claims only lists the claims actually paid in the year.

IX. Names of reinsurance companies whose reinsurance expenses took 1% or more of the total premium incomes, and their credit ratings, in the most recent year

Name of Reinsurance Company	Rating agency	Rating
Central Reinsurance Corporation	S&P	A
Swiss Re Asia Pte. Ltd. Hong Kong Branch	S&P	AA-
Partner Reinsurance Europe SE Hong Kong Branch	S&P	A+
Transatlantic Reinsurance Company Singapore Branch	S&P	AA+
Everest Reinsurance Company Singapore Branch	S&P	A+

X. If any rating agency is delegated, the name of the rating agency, rating date and the rating results.

Rating agency	Rating date	Rating results
Standard & Poor's Rating	2026/01/09	A-
Taiwan Ratings	2026/01/09	tw AA

TWO. Market Price, Dividend, and Equity Distribution

I. Market price, net value, earning and dividend per share

Item \ Year		2025	2024	
Market price per share	Highest (NT\$)	54.90	30.4	
	Lowest (NT\$)	28.15	25.1	
	Average (NT\$)	35.82	27.85	
Net worth per share	Before distribution (NT\$)	46.70	33.88	
	After distribution (NT\$)	Note 1	31.88	
Earnings Per Share (EPS)	Weighted average number of shares (thousand shares)	317,843	362,200	
	EPS (NT\$)	3.91	3.21	
Dividends per share	Cash dividend (NT\$)		Note 1	2
	Stock dividends	Out of earnings (NT\$)	Note 1	-
		Out of additional paid-in capital (NT\$)	Note 1	-
	Accumulated, unpaid dividends (NT\$)		Note 1	-
ROI analysis	P/E ratio (Note 2) (multiple)		9.16	8.68
	P/D ratio (Note 3)		Note 1	13.93
	Cash dividend yield (Note 4) (%)		Note 1	7.18

Note 1: Dividends per share is stated based on the resolution proposed by the shareholders' meeting in next year. It is not listed as the general meeting as 2026 has not yet been convened.

Note 2: P/E ratio = Average closing price per share for the year / Earnings per share.

Note 3: P/D ratio = Average closing price per share during the current fiscal year / Cash dividend per share.

Note 4: Cash dividend yield = Cash dividend per share / Average closing price per share for the current year.

II. Distribution of equity

(I) Common Stock: Face value \$10 per share

Common Stock Face value \$10 per share		December 31, 2025		
Shareholding category		Number of shareholders	Shares held	Shareholding Ratio %
1 ~	999	9,154	2,032,367	0.80
1,000 ~	5,000	4,300	10,066,641	3.97
5,001 ~	10,000	1,056	7,666,904	3.02
10,001 ~	15,000	419	5,220,321	2.06
15,001 ~	20,000	179	3,118,825	1.23
20,001 ~	30,000	221	5,324,591	2.10
30,001 ~	40,000	118	4,085,693	1.61
40,001 ~	50,000	77	3,420,402	1.35
50,001 ~	100,000	173	12,663,861	5.00
100,001 ~	200,000	83	11,660,164	4.60
200,001 ~	400,000	42	12,474,098	4.92
400,001 ~	600,000	17	8,623,100	3.40
600,001 ~	800,000	7	4,810,483	1.90
800,001 ~	1,000,000	4	3,784,431	1.49
1,000,001 Over (Note)		24	158,588,399	62.55
Total		15,874	253,540,280	100.00

Note: including the depository accounts.

(II) Preferred Shares: no preferred share is issued by the Company.

III. Changes of the directors, supervisor, managers, and major shareholders.

Title (Note 1)	Name	2025		As at February 28	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Steve Lee	(2,252,982)	(900,000)	-	-
Director / Major shareholder	Yong-Shin Development Co., Ltd.	(7,247,561)	(3,330,000)	-	-
Legal Representative	Charles Sung	(93,000)	-	-	-
Legal Representative	Chung-Chou Chang	(1,431,596)	-	84,000	-
Legal Representative	Bin-Fu Chen	-	-	-	-
Director/juristic person shareholder	Shan Yue Industrial Co., Ltd.	(72,000)	-	-	-
Legal Representative	Chain-Cheng Lee	(1,811,673)	(881,400)	-	-
Director / Major shareholder	Bank of Taiwan Co., Ltd.	(19,382,484)	-	-	-
Legal Representative	Mei-Ling, Wu	-	-	-	-
Legal Representative	Wei-Hsin Wang	-	-	-	-
Legal Representative	Hsiu-Hsiang Liu (Note 4)	-	-	-	-
Legal Representative	Yi-Pao Lin (Note 5)	-	-	-	-
Independent Director	Cheng Ching Huang	-	-	-	-
Independent Director	Nien-Tsu Chiang	-	-	-	-
Independent Director	Liang-Chi Chang	-	-	-	-
President	Chao-Feng Chen	66,000 (24,900)	-	10,000	-
Managers	Su-Chen Lin (Note 6)	-	-	-	-
Managers	Hong-Hsing Chuang (Note 7)	(2,100)	-	-	-
Managers	Nicholas N.C. Sheu (Note 8)	(57,460)	-	-	-
Managers	Tsui-Jung Chen	(66,989)	-	6,000	-
Managers	Andrew Hsieh	-	-	-	-
Managers	Allen Cheng (Note 9)	-	-	-	-
Managers	Chia-Lin Hsu	(24,048)	-	-	-
Managers	Wen-Chin Chu	-	-	-	-
Managers	Yuan-Yi Liao	-	-	-	-
Managers	Chih-Chieh Huang	-	-	-	-
Managers	Steven Lin	(369)	-	-	-
Managers	Chih-Hung Wang (Note 10)	-	-	-	-
Managers	Yung-Fu Su	(2,745)	-	-	-
Managers	Kent Lee	(9,040)	-	-	-
Managers	Yu-Jen Hsiao	-	-	-	-
Managers	Jonathan Tu	-	-	-	-
Managers	Chyi-Shyang Chio	(3,000)	-	-	-
Managers	Chiu-Shan Chung	(1,448)	-	-	-
Managers	Pen-Chi Yu	-	-	-	-
Managers	Chin-Ho Lin	-	-	-	-
Managers	Chih-Hui Hsu	(300)	-	-	-
Managers	Wun-Bin, Hou	3,150 (4,650)	-	-	-
Managers	Yi-Ping Wang	15,000 (4,500)	-	-	-

(Continued)

Title (Note 1)	Name	2025		As at February 28	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Managers	Nan-Chou Liu (Note 11)	-	-	-	-
Managers	Shang-Jen Tung	-	-	-	-
Managers	Feng-Wei Chen	-	-	-	-
Managers	Kuan-Yu Chen	-	-	-	-
Managers	Ting-Kuo Huang	(24)	-	-	-
Managers	Shih-Ting Hsiao	-	-	-	-
Managers	Ching-Tsung Lu	(3,900)	-	900	-
Managers	Kai-Tsung Hsiao	-	-	-	-
Managers	Chen, Wen	-	-	-	-
Managers	Ming-Ta Tan	(1,200)	-	-	-
Managers	Chih-Pin Hsu	(300)	-	-	-
Managers	Yi-Hsin Lin (Note 11)	-	-	-	-
Managers	Pi-Chen Wang	(13,137)	-	-	-

Note 1: Shareholders who hold 10% of the total shares of the Company or more shall be indicated as major shareholders, and listed individually.

Note 2: Shall the counterparty of the share transfer or share pledging is affiliated person, the following form shall be filled.

Note 3: The decrease in the number of shares held in 2025 was due to the cash refund to shareholders through a capital reduction. In order to strengthen the efficiency of capital utilization and adjust the capital structure by improving the return on shareholders' equity, the Company's 2025 annual general meeting resolved to approve a cash refund through a capital reduction. The capital was decreased by NT\$1,086,601 thousand, with 108,660 thousand shares canceled. The same has been filed and became effective according to the letter of TWSE under Tai-Zheng-Shang-Yi-Zi No. 1141803293 dated August 1, 2025. Meanwhile, the change registration was approved according to the letter of the Ministry of Economic Affairs under Jin-Shou-Shang-Zi No. 11430132780 dated September 22, 2025.

Note 4: Dismissed on February 19, 2025.

Note 5: Office taken newly on February 19, 2025.

Note 6: Dismissed on July 9, 2025.

Note 7: Office taken newly on May 27, 2025.

Note 8: Dismissed on January 2, 2026.

Note 9: Dismissed on May 7, 2025.

Note 10: Dismissed on April 11, 2025.

Note 11: Office taken newly on May 1, 2025.

Equity transfer information

Name (Note 1)	Reason of Share Transfer (Note2)	Date of Transaction	Counterpart of the Transaction	The relationship between the counterpart of the Transaction and the Company, the directors, the supervisor, and the shareholders with 10% or more shares	Share(s)	Transaction price
None	None	None	None	None	-	-

Note 1: To list the name of the directors, the supervisor, managers, and the shareholders with 10% or more shares.

Note 2: List if the transaction is acquisition or disposition.

Equity pledge information.

Name (Note 1)	Reason of changes of pledge (Note2)	Date of Change	Counterpart of the Transaction	The relationship between the counterpart of the Transaction and the Company, the directors, the supervisor, and the shareholders with 10% or more shares	Share(s)	% of Ownersh ip	% of Pledge	Amount of pledge (redempti on)
None	None	None	None	None	-	-	-	-

Note 1: To list the name of the directors, the supervisor, managers, and the shareholders with 10% or more shares.

Note 2: List whether is a pledge or redemption.

IV. Information related to the shelf registration: None.

Three. Material Financial Information

I. Summary of the Balance Sheet and Statement of Comprehensive Income in the Past Five Years

(I) Information for the Balance Sheet

Item \ Year		Financial information for the past five years (Note 1)				
		2025	2024	2023	2022	2021
Cash and cash equivalents		3,270,250	3,778,443	3,141,324	3,074,610	4,178,338
Receivables		703,709	740,961	730,398	756,442	668,801
Financial assets and loans (Noe 2)		14,727,578	16,323,176	15,402,407	13,635,173	12,433,810
Reinsurance contract asset		3,708,800	2,908,234	2,336,514	2,262,536	2,060,351
Property and Equipment		2,389,880	354,882	364,359	375,278	468,963
Right-of-use assets		46,885	41,768	55,290	40,051	42,588
INTANGIBLE ASSETS		5,755	10,588	12,479	14,864	12,073
Other assets (Noe 2)		766,828	751,784	767,448	732,236	778,051
Total Assets		25,619,685	24,909,836	22,810,219	20,891,190	20,642,975
Payables		1,391,980	1,263,281	1,142,550	1,054,362	902,607
Lease liabilities		49,060	44,598	63,686	51,666	61,741
Insurance liabilities and insurance contract reserves with financial product's nature		11,670,021	10,825,005	9,793,088	9,281,884	9,047,868
Reserve for liabilities		40,798	40,229	58,234	66,079	83,267
Other liabilities (Noe 2)		626,908	464,676	562,905	491,481	366,201
Total Liabilities	Before distribution	13,778,767	12,637,789	11,620,463	10,945,472	10,461,684
	After distribution	(註 3)	13,362,190	12,091,324	11,307,673	10,733,335
Capital		2,535,403	3,622,004	3,622,004	3,622,004	3,622,004
Capital surplus		98,964	98,964	98,962	98,962	98,962
Retained Earnings	Before distribution	8,730,960	8,027,461	7,188,481	6,476,622	5,889,609
	After distribution	(註 3)	7,303,060	6,717,620	6,114,421	5,617,958
Other items under equity		475,591	523,618	280,309	(251,870)	570,716
Total Stockholders' Equity	Before distribution	11,840,918	12,272,047	11,189,756	9,945,718	10,181,291
	After distribution	(註 3)	11,547,646	10,718,895	9,583,517	9,909,640

Note 1: The financial information has been audited and certified by CPAs for the past five years.

Note 2: (1) The financial assets and loans include financial assets at fair value through profit or loss, financial assets measured at amortized cost, investment under equity method, other financial assets, financial assets at fair value through other comprehensive income, and investment property.

(2) Other assets include the deferred income tax assets and other assets.

(3) Other liabilities include the income tax liabilities for the period, deferred income tax liabilities, and other liabilities.

Note 3: Said figures after distribution are stated based on the resolution proposed by the shareholders' meeting in next year. The figures after distributions for 2025 are not listed as the general meeting for 2026 has not yet been convened.

(II) Statement of Comprehensive Income

Unit: NT\$ Thousand

Item \ Year	Financial information for the past five years (Note)				
	2025	2024	2023	2022	2021
Operating Revenues	7,274,586	7,340,275	6,768,286	6,056,243	7,506,858
Operating Costs	4,090,476	4,452,504	4,115,988	3,855,335	5,781,623
Operating Expenses	1,647,961	1,507,226	1,471,841	1,350,241	1,317,938
NON-OPERATING INCOME AND EXPENSES	(2,359)	(1,315)	(2,203)	(244)	(3,856)
Income Before Tax	1,533,790	1,379,230	1,178,254	850,423	403,441
Income After Tax	1,242,577	1,162,329	978,269	671,961	373,208
Other comprehensive income	137,296	397,966	627,970	(635,883)	627,947
EPS (NT\$)	NT\$3.91	NT\$3.21	NT\$2.70	NT\$1.86	NT\$1.03

Note: The financial information of the Company has been audited and certified by CPAs for the past five years.

II. Analysis of Key Financial Ratios

Analyzed Items (Note 2)		Year (Note 1)				
		Analysis of the business benchmarks of finance in the last five years				
		2025	2024	2023	2022	2021
Business benchmarks	Change rate of direct premium incomes	6.98	6.74	12.86	(15.33)	33.59
	Change rate of direct paid claims	(2.37)	7.21	1.03	(30.07)	62.38
	Change in Retained Premiums	3.80	4.15	10.33	(22.79)	44.20
	Net value ratio	46.22	49.27	49.06	47.61	49.32
Indicators of Profitability	Returns on assets (%)	4.92	4.87	4.48	3.24	1.86
	Return on equity (%)	10.31	9.91	9.26	6.68	3.78
	Net return of fund operations	2.50	4.25	2.96	2.75	3.19
	Return on investment (%)	2.30	3.92	2.72	2.54	2.96
	Net Combined Ratio (%)	81.29	88.99	86.68	93.39	98.29
	Self-retained expenses (%)	36.92	35.42	36.27	37.04	34.29
	Net loss ratio (%)	44.37	53.57	50.41	56.35	64.00
Holistic operational indicators	Ratio of self-retained premium to equity (%)	54.72	50.87	53.56	54.62	69.10
	Gross premium to equity (%)	84.34	76.41	78.65	78.87	89.96
	Impact ratio of the net reinsurance commission to equity	2.51	2.16	2.23	2.27	1.51
	Ratio of various insurance liabilities to equity (%)	98.56	88.21	87.52	93.33	88.87
	Rate of changes of equity	(3.51)	9.67	12.51	(2.31)	6.27
	Expense ratio	28.42	27.85	28.95	29.73	29.53
Description about the analysis on increase/decrease by more than 20%: 1. The decrease in the variable interest rate on direct paid claims was primarily a result of the decrease in mainly due to the decrease in Residential Earthquake Insurance in 2025. 2. The decrease in the net interest margin from fund utilization and return on investment was primarily a result of the decrease in net investment income in 2025 from 2024. 3. The decrease in the rate of change of equity is primarily due to the cash refund through the capital reduction in 2025, resulting in a decrease in share capital of NT\$1,086,601 thousand.						

Note 1: The financial statements of the Company has been audited and certified by CPAs for the past five years.

Note 2: The formula for the item to be analyzed are as the following:

1. Business benchmarks

- (1) Change rate of direct premium incomes = (the cumulative amount of the direct premium incomes of the period - the cumulative amount of the direct premium incomes of the previous period) / the cumulative amount of the direct premium incomes of the previous period

["Direct premium incomes" refers to the premium incomes from the policies directly written to the insured by the insurer.]

- (2) Change rate of directly paid claims = (the cumulative amount of directly paid claims of the period - the cumulative amount of directly paid claims of the previous period) / the cumulative amount of directly paid claims of the previous period

[“Directly paid claims” refers to the claim paid to the insured due to the covered accidents of the policies directly written to the insured by the insurer.]

- (3) $\text{Change in Retained Premiums} = (\text{the cumulative amount of the self-retained premium of the period} - \text{the cumulative amount of the self-retained premium of the previous period}) / \text{the cumulative amount of the self-retained premium of the previous period}$

[Self-retained premium = the direct premium incomes + premium incomes from reinsurance - expenses from the reinsurance premium]

- (4) $\text{Net value ratio} = \text{Equity} / \text{Total assets excluding dedicated account book for investment insurance policy}$

2. Indicators of Profitability

- (1) $\text{Return on assets} = [\text{Net profit after tax} + \text{interest expenditure} \times (1 - \text{tax rate})] / \text{average total amount of assets}$

[Average total amount of assets = (assets, beginning + assets, ending) / 2]

- (2) $\text{Return on Equity} = \text{income after tax} / \text{average equity}$

[Average equity = (equity of the period + equity of the previous period) / 2]

- (3) $\text{Net interest margin from fund utilization} = (\text{net investment income for the period} + \text{income from disposal of equity instrument at fair value through other comprehensive income for the period}) / [(\text{available fund, beginning} + \text{available fund, ending} - \text{net investment income for the period} - \text{income from disposal of equity instrument at fair value through other comprehensive income for the period}) / 2]$

- (4) $\text{Net rate of return} = (\text{net investment income for the period} + \text{income from disposal of equity instrument at fair value through other comprehensive income for the period}) / [(\text{assets, beginning} + \text{assets, ending} - \text{net investment income for the period} - \text{income from disposal of equity instrument at fair value through other comprehensive income for the period}) / 2]$

- (5) $\text{Net combined ratio} = \text{rate of retained expenses} + \text{Net loss ratio}$

- (6) $\text{Rate of retained expenses} = \text{self-retained expenses} / \text{self-retained premium}$

[Self-retained premium = the direct premium incomes + premium incomes from reinsurance - expenses from the reinsurance premium]

[Self-retained expenditure = expenditures of commissions and written fee + reinsurance commission expenditure - reinsurance commission incomes + business fee + operation fee + bad debts for depreciation and amortization for personal properties]

(7) Net loss ratio = retained claims / retained earned premium

[Retained claims = claims and payment - claim recovered from reinsurer + net change in claims reserves]

[Retained earned premium = direct insurance premium incomes + reinsurance premium incomes - reinsurance premium expenses - net change in unearned premium reserves]

3. Holistic operational indicators

(1) Ratio of Self-retained premium to equity = self-retained premium / equity

(2) Gross premium to equity =(direct premium incomes + reinsurance premium income) / equity

(3) Impact ratio of the net reinsurance commission to equity =(unearned premium reserves / self-retained premium) x reinsurance commission incomes / equity

(4) Ratio of various insurance liabilities to equity = various insurance liabilities / equity

[Various insurance liabilities = special reserves + claim reserves + unearned liability reserves + other reserves]

(5) Rate of changes of equity = (equity of the period - equity of the previous period) / the absolute value for the equity of the previous period

(6) Expense rate = expenses / (direct premium income + reinsurance premium income)

[Expenses = expenditures of commissions and written fee + operational expenses +management expenses + bad debts for depreciation and amortization for personal properties + expenses of reinsurance commissions]

III. Other information enhancing the insight to the financial status, operational results, cash flows, or the trend of changes: None.

Four. Review and Analysis for Financial Position and Performance

I. Comparative Analysis of Financial Conditions

Unit: NT\$ Thousand

Item \ Year	December 31, 2025	December 31, 2024	Difference	
			Amount	%
Cash and cash equivalents	3,270,250	3,778,443	(508,193)	(13.45)
Receivables	703,709	740,961	(37,252)	(5.03)
Financial assets and loans (Note 1)	14,727,578	16,323,176	(1,595,598)	(9.78)
Reinsurance contract asset	3,708,800	2,908,234	800,566	27.53
Property and Equipment	2,389,880	354,882	2,034,998	573.43
Right-of-use assets	46,885	41,768	5,117	12.25
INTANGIBLE ASSETS	5,755	10,588	(4,833)	(45.65)
Other assets (Note 1)	766,828	751,784	15,044	2.00
Total Assets	25,619,685	24,909,836	709,849	2.85
Payables	1,391,980	1,263,281	128,699	10.19
Lease liabilities	49,060	44,598	4,462	10.00
Insurance liabilities and insurance contract reserves with financial product's nature	11,670,021	10,825,005	845,016	7.81
Reserve for liabilities	40,798	40,229	569	1.41
Other liabilities (Note 1)	626,908	464,676	162,232	34.91
Total Liabilities	13,778,767	12,637,789	1,140,978	9.03
Capital	2,535,403	3,622,004	(1,086,601)	(30.00)
Capital surplus	98,964	98,964	-	-
Retained Earnings	8,730,960	8,027,461	703,499	8.76
Other items under equity	475,591	523,618	(48,027)	(9.17)
Total Stockholders' Equity	11,840,918	12,272,047	(431,129)	(3.51)

Note 1: (1) The financial assets and loans include financial assets at fair value through profit or loss, financial assets measured at amortized cost, investment under equity method, other financial assets, financial assets at fair value through other comprehensive income, and investment property.

(2) Other assets include the deferred income tax assets and other assets.

(3) Other liabilities include the income tax liabilities for the period, deferred income tax liabilities, and other liabilities.

The analysis is for the changes of 20% or more from before to after the period, with the amount of NT\$10 million or more:

(I) Reinsurance contract asset

The increase in reinsurance contract assets of NT\$800,566 thousand this year compared to the previous year was primarily due to the increase in the ceding claims reserve of NT\$607,427 thousand and ceding unearned premium reserve of NT\$146,571 thousand.

(II) Property and Equipment

The increase in property and equipment of NT\$2,034,998 thousand this year compared to the previous year was primarily due to the purchase of the entire building located at No. 210, Section 3, Chengde Road, Datong District, Taipei City, which will be used as owner-occupied real estate, at a price of NT\$2,000,000 thousand this year.

(III) Other liabilities

The increase of NT\$162,232 thousand this year from the previous year was primarily a result of the increase in current income tax liabilities of NT\$105,315 thousand, the decrease in deferred income tax liabilities of NT\$17,396 thousand, and the increase in temporary receipts for other liabilities of NT\$75,059.

(IV) Capital

The decrease of NT\$1,086,601 thousand this year from the previous year was primarily a result of the cash refund through capital reduction, with 108,660 thousand issued shares canceled this year.

II. Analysis of Financial Performance

Unit: NT\$ Thousand

Item \ Year	2025	2024	Increase (decrease) amount	Change %
Operating Revenues	7,274,586	7,340,275	(65,689)	(0.89)
Operating Costs	4,090,476	4,452,504	(362,028)	(8.13)
Operating Expenses	1,647,961	1,507,226	140,735	9.34
Operating Income	1,536,149	1,380,545	155,604	11.27
Non-Operating Income and Expenses	(2,359)	(1,315)	(1,044)	(79.39)
Profit Before Income Tax from Continuing Operation	1,533,790	1,379,230	154,560	11.21
Tax Expense	291,213	216,901	74,312	34.26
Net Profit for the Period From Continuing Operations	1,242,577	1,162,329	80,248	6.90

Analysis focusing on the increase/decrease changes for 10% or more

(I) Operating income and net profit before tax from continuing operations

The increase in operating income and net profit before tax from continuing operations of NT\$155,604 thousand and NT\$154,560 thousand, respectively, this year compared to the previous year was primarily a result of the decrease in net changes in the insurance liability within operating costs from the same period last year.

(II) NON-OPERATING INCOME AND EXPENSES

The decrease in non-operating income and expenses of NT\$1,044 thousand this year compared to the previous year was primarily due to the reduction in gains from the disposal of property and equipment and compensation for the early termination of the lease.

(III) Tax expense

The increase in income tax expense of NT\$74,312 thousand this year compared to the previous year was primarily due to the increase in income before tax.

Five. Information about replacement of CPAs

I. Information about CPA's professional fees

Unit: NT\$ Thousand

Name of CPA Firm	Name of accountant	Audit period	Audit Fee	Non-Audit Fees	Total	Remarks
Deloitte & Touche	Cheng-Hsiu Yang	2025.01.01-2025.12.31	6,560	6,145	12,705	
	Wen-Ya Hsu	2025.01.01-2025.12.31				

Note: The audit fees only include the professional fees for audit, review and re-audit on financial statements and auditing of the financial forecast as referred to in Item 3, Subparagraph 1, Paragraph 1 of Article 24 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

The non-auditing fees refer to the professional fees for certification services including tax certification, audit on internal control system, examination of capital adequacy ratio and checklist, audit on compulsory liability insurance for cars/motorcycles, review on annual reports, project consulting service fees and sustainability report assurance service fees, etc.

II. CPAs Replacement in the Last Two Years:

In 2024, in response to the internal work adjustment of Deloitte Taiwan, the external auditors, Wang-Sheng Lin, CPA and Wen-Ya Hsu, CPA, were replaced by Cheng-Hsiu Yang, CPA and Wen-Ya Hsu, CPA.