Stock ID: 2852

The First Insurance Co., Ltd.

Financial Statements and Independent Auditor's Review Report

For the First Quarter of 2026 and 2025

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§TABLE OF CONTENTS§

Independent Auditor's Review Report

To the management of The First Insurance Co., Ltd.:

Foreword

We have reviewed the balance sheet of The First Insurance Co., Ltd. as of March 31, 2026 and 2025, the statement of comprehensive income, statement of changes in equity, and cash flow statement for periods from January 1 to March 31, 2026 and 2025, and the accompanying footnotes (including a summary of major accounting policies). It is the responsibility of the management to prepare and ensure the fair presentation of financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and the version of IAS 34 - "Interim Financial Reporting" approved and published by the Financial Supervisory Commission. Our responsibility as an auditor is to form a conclusion based on our review.

Scope

We, the auditors, have performed the review in accordance with Standards on Review Engagements No. 2410 - "Financial Statement Review." The procedures executed in our review of financial statements include inquiry (mainly with employees responsible for financial and accounting affairs), analysis and other review-related processes. The scope of financial statement review is significantly smaller than a financial statement audit, therefore we may not be able to detect all material issues through the steps we have taken, and are unable to provide an opinion.

Conclusion

In our opinion, none of the material disclosures of the financial statements mentioned above exhibited any misstatement that did not conform with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises or the version of IAS 34 - "Interim Financial Reporting" approved by the Financial Supervisory Commission, or compromised the fair view of the financial position of The First Insurance Co., Ltd. as of March 31, 2026 and 2025, and business performance and cash flow for periods from January 1 to March 31, 2026 and 2025.

Deloitte Taiwan
CPA: Chao-Mei Chen

CPA: Sheng-Tai Liang

Approval reference of the Securities and Futures Bureau
Tai-Cai-Zheng-VI-Zi No. 0920123784

Approval reference of the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1100356048

May 13, 2026

The First Insurance Co., Ltd.
Balance Sheet
As of March 31, 2026, December 31, 2025, and March 31, 2025

Unit: NTD thousand

		March 31, 2026		December 31, 2025 (Retrospectively Restated)		December 31, 2025 (Retrospectively Restated)		December 31, 2025 (Retrospectively Restated)	
Code	Assets	Amount	%	Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (Note 6)	$ 2,155,671	11	$ 2,086,377	11	$ 2,132,504	11	$ 2,293,568	12
12000	Accounts Receivables (Note 12)	219,775	1	249,750	1	203,233	1	197,008	1
14110	Financial assets at fair value through profit and loss (Note 7)	2,329,935	12	2,055,381	10	2,200,785	11	1,615,992	8
14145	Financial assets carried at cost after amortization (Notes 9 and 10)	4,676,450	23	4,477,529	23	3,697,610	19	3,697,479	19
14180	Other financial assets (Notes 6 and 11)	4,246,460	21	4,247,209	21	4,004,528	21	4,185,665	22
14190	Financial assets at fair value through other comprehensive income (Notes 8 and 10)	2,573,086	13	2,586,712	13	2,968,026	15	2,777,227	14
14200	Investment properties (Note 13)	899,359	5	900,552	5	897,118	5	898,683	5
15400	Insurance Contract Assets (Notes 3, 4 & 21)	1,577	-	2,513	-	1,081	-	1,181	-
15500	Reinsurance Contract Assets (Notes 3, 4 & 22)	1,582,646	8	1,884,001	10	2,225,893	11	2,470,358	13
16000	Property, plant, and equipment (Note 14)	613,364	3	617,658	3	607,703	3	612,125	3
16700	Right-of-use asset (Note 15)	3,972	-	3,975	-	2,751	-	2,946	-
17100	Intangible assets (Note 16)	16,619	-	17,340	-	20,118	-	21,141	-
17800	Deferred income tax assets (Note 4)	4,599	-	12,267	-	13,410	-	13,285	-
18000	Total other assets (Note 4、8 & 17)	587,018	3	590,456	3	554,872	3	552,359	3
1XXXX	Total assets	$ 19,910,531	100	$ 19,731,720	100	$ 19,529,632	100	$ 19,339,017	100
Code	Liabilities and Equity								
21000	Accounts Payable (Note 18)	$ 172,601	1	$ 281,360	1	$ 192,972	1	$ 284,604	2
21700	Current income tax liabilities (Note 4)	195,121	1	111,896	1	155,232	1	87,818	-
23800	Lease liabilities (Note 15)	4,021	-	4,021	-	2,788	-	2,984	-
24101	Insurance Contract Liabilities (Notes 3, 4, 5 & 21)	6,879,843	35	7,032,897	36	6,957,139	36	7,039,600	36
24201	Reinsurance Contract Liabilities (Notes 3, 4 & 22)	8,118	-	8,916	-	6,138	-	13,914	-
28000	Deferred income tax liabilities (Note 4)	93,751	-	92,934	-	93,630	-	99,591	1
25000	Total other Liabilities (Notes 19 & 37)	3,144,717	16	2,199,295	11	2,091,776	11	2,133,081	11
2XXXX	Total liabilities	10,498,172	53	9,731,319	49	9,499,675	49	9,661,592	50
31000	Share capital (Note 23)	3,011,638	15	3,011,638	15	3,011,638	15	3,011,638	16
	Retained earnings (Notes 23 & 37)								
33100	Legal reserve	2,038,064	10	2,038,064	10	1,831,347	9	1,831,347	10
33200	Special reserve	3,045,593	16	3,045,593	16	2,780,894	14	2,780,894	14
33300	Undistributed earnings	1,007,886	5	1,542,378	8	2,108,568	11	1,820,918	9
33000	Total retained earnings	6,091,543	31	6,626,035	34	6,720,809	34	6,433,159	33
34000	Other equity items (Note 23)	309,178	1	362,728	2	297,510	2	232,628	1
3XXXX	Total equity	9,412,359	47	10,000,401	51	10,029,957	51	9,677,425	50
	Total liabilities and equity	$ 19,910,531	100	$ 19,731,720	100	$ 19,529,632	100	$ 19,339,017	100

The accompanying notes are an integral part of the financial statements.
(Please refer to the Review Report of Deloitte & Touche, dated May 13, 2026)

Chairman: C. H. Lee　　Manager: Hsin-Qun Chen　　Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.

Statement of Comprehensive Income

For periods from January 1 to March 31, 2026 and 2025

Unit: NTD thousand, except EPS which is in dollars

Code		January 1 to March 31, 2026 Amount	January 1 to March 31, 2026 %	January 1 to March 31, 2025 (Retrospectively Restated) Amount	January 1 to March 31, 2025 (Retrospectively Restated) %
	Insurance Service Result (Notes 3, 4, 5, 24, 31 & 37)				
41101	Insurance Revenue	$ 2,319,920	100	$ 2,359,197	100
51101	Insurance Service Expenses	(1,444,175)	(62)	(1,665,133)	(71)
51201	Net Income (Expense) from Reinsurance Contracts Held	(436,789)	(19)	(338,185)	(14)
61100	Total Insurance Service Result	438,956	19	355,879	15
	Financial Result				
	Net Investment Income (Loss)				
41510	Interest Income (Note 25)	55,688	2	47,181	2
41521	Gain/loss on financial assets or liabilities at fair value through profit and loss	(41,788)	(2)	(3,748)	-
41550	Gain (loss) on exchange - investment (Note 25)	3,796	-	5,021	-
41570	Gains (Losses) on Investment Property (Note 25)	14,873	1	12,085	1
41585	Expected Credit Loss on Investments	(1,210)	-	(1)	-
41500	Total Net Investment Gains (Losses)	31,359	1	60,538	3
51401	Insurance Finance Income or Expenses (Notes 3, 4, 5 & 25)	(24,671)	(1)	(28,909)	(1)
51501	Finance Income (Expenses) from Reinsurance Contracts Held (Notes 3, 4, 5 & 25)	8,816	1	10,476	-
61200	Total Financial Result	15,504	1	42,105	2
	Other Operating Result				
41890	Other Operating Income (Note 25)	3,935	-	1,423	-
51830	Interest Expense	(12)	-	(4)	-
51870	Net Change in Special Reserves (Note 37)	(34,668)	(2)	(20,136)	(1)
51890	Other Operating Costs	-	-	(16)	-
58000	Total Other Operating Expenses	(28,753)	(1)	(27,376)	(1)
61300	Total Other Operating Result	(59,498)	(3)	(46,109)	(2)
61000	Operating profit	394,962	17	351,875	15
59000	Total Non-Operating Income and Expenses	738	-	62	-
62000	Operating income before tax	395,700	17	351,937	15
63000	Income Tax Expenses (Notes 4 & 26)	(93,803)	(4)	(64,287)	(3)
66000	Current net income	301,897	13	287,650	12

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Code		January 1 to March 31, 2026 Amount	%	January 1 to March 31, 2025 (Retrospectively Restated) Amount	%
	Other Comprehensive Income (Note 23)				
	Items that will not be reclassified to profit or loss:				
83190	Gains/losses on valuation of equity instruments at fair value through other comprehensive income	($ 31,111)	(1)	$ 62,647	3
	Items likely to be reclassified into profit and loss				
83290	Gains/losses on debt instruments at fair value through other comprehensive income	(9,699)	(1)	2,235	-
83000	Other comprehensive income - current (net, after tax)	(40,810)	(2)	64,882	3
85000	Total comprehensive income - current	$ 261,087	11	$ 352,532	15
	Earnings Per Share (Note 27)				
97500	Basic	$ 1.00		$ 0.96	
98500	Diluted	$ 1.00		$ 0.95	

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

Chairman: C. H. Lee Manager: Hsin-Qun Chen Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.
Statement of Changes in Equity
For periods from January 1 to March 31, 2026 and 2025

Unit: NTD thousand

			Retained earnings (Note 24)			Other Equity	
Code		Share capital (Note 24)	Legal reserve	Special reserve	Undistributed earnings	Unrealized gains/losses on financial assets at fair value through other comprehensive income (Note 23)	Total equity
A1	Balance as of January 1, 2025	$ 3,011,638	$ 1,831,347	$ 2,780,894	$ 839,879	$ 232,628	$ 8,696,386
A3	Effect of Retrospective Application of IFRS 17	-	-	-	981,039	-	981,039
A5	Restated Balance as of January 1, 2025	3,011,638	1,831,347	2,780,894	1,820,918	232,628	9,677,425
D1	Net Income for Jan 1 to Mar 31, 2025	-	-	-	287,650	-	287,650
D3	Other Comprehensive Income for Jan 1 to Mar 31, 2025	-	-	-	-	64,882	64,882
D5	Total Comprehensive Income for Jan 1 to Mar 31, 2025	-	-	-	287,650	64,882	352,532
Z1	Restated Balance as of March 31, 2025	$ 3,011,638	$ 1,831,347	$ 2,780,894	$ 2,108,568	$ 297,510	$10,029,957
A1	Restated Balance as of December 31, 2025	$ 3,011,638	$ 2,038,064	$ 3,045,593	$ 1,542,378	$ 362,728	$10,000,401
A3	Provision for Special Reserves per FSC Letter No. 11504111391 (Note 37(5))	-	-	-	(849,129)	-	(849,129)
A5	Balance as of January 1, 2026	3,011,638	2,038,064	3,045,593	693,249	362,728	9,151,272
D1	Net Income for Jan 1 to Mar 31, 2026	-	-	-	301,897	-	301,897
D3	Other Comprehensive Income for Jan 1 to Mar 31, 2026	-	-	-	-	(40,810)	(40,810)
D5	Total Comprehensive Income for Jan 1 to Mar 31, 2026	-	-	-	301,897	(40,810)	261,087
Q1	Disposal of Equity Instruments at FVOCI (Note 8(1))	-	-	-	12,740	(12,740)	-
Z1	Balance as of March 31, 2026	$ 3,011,638	$ 2,038,064	$ 3,045,593	$ 1,007,886	$ 309,178	$ 9,412,359

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

(Please refer to the Review Report of Deloitte & Touche, dated May 13, 2026)

Chairman: C. H. Lee　　Manager: Hsin-Qun Chen　　Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.

Cash Flow Statement

For periods from January 1 to March 31, 2026 and 2025

Unit: NTD thousand

Code		January 1 to March 31, 2026	January 1 to March 31, 2025 (Retrospectively Restated)
	Cash Flows from Operating Activities		
A10000	Pre-tax profit for the current period	$ 395,700	$ 351,937
	Adjustments		
	Income and Expense Items:		
A20100	Depreciation	6,617	6,972
A20200	Amortization	2,102	3,732
A20900	Interest Expense	45	29
A21200	Interest Income	(55,688)	(47,181)
A21400	Net Change in Special Reserves - current	34,668	20,136
A21830	Expected credit impairment loss (reversal gain) on investment	1,210	1
A21850	Expected credit impairment loss on non-investments	435	1,015
A24100	Unrealized Gain on Foreign Exchange	(4,085)	(3,478)
	Change in assets/liabilities related to operating activities		
A51110	Notes Receivable	33,000	10,492
A51130	Other Receivables	29,373	(920)
A51140	Financial Assets and Liabilities at FVTPL	(274,554)	(584,793)
A51141	Financial Assets at FVOCI	(12,700)	(93,426)
A51145	Debt instrument investments measured at cost after amortization	(200,000)	-
A51990	Net Defined Benefit Assets	(1,161)	(591)
A51160	Other Financial Assets	4,421	186,177
A51171	Insurance Contract Assets	936	100
A51172	Reinsurance Contract Assets	301,355	244,465
A51190	Guarantee deposits paid	(36)	334
A51990	Other Assets	(4,664)	(980)
A52110	Notes Payable	2,114	2,432
A52160	Other Payables	(116,938)	(128,712)
A52181	Insurance Contract Liabilities	(153,054)	(82,461)

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Code		January 1 to March 31, 2026	January 1 to March 31, 2025 (Retrospectively Restated)
A52182	Reinsurance Contract Liabilities	($ 798)	($ 7,776)
A52240	Guarantee deposits received	(2,390)	(1,611)
A52990	Other liabilities	2,754	1,742
A33000	Cash Inflows (Outflows) from operating activities	61,261	(61,572)
A33100	Interests received	49,923	(183,937)
A33300	Interests paid	23,604	31,118
A33500	Income tax paid	(45)	(29)
AAAA	Net cash inflow (outflow) from operating activities	(2,093)	(2,959)
	Cash flow from investing activities	71,389	(155,807)
B02700	Acquisition of property and equipment		
B04500	Acquisition of intangible assets	(103)	(349)
BBBB	Cash outflow from investing activities	(1,381)	(2,709)
	Cash outflow from financing activities	(409)	-
C04020	Repayment of lease principal	(1,893)	(3,058)
DDDD	Exchange rate effects on cash	(615)	(637)
EEEE	Increase (decrease) in cash and cash equivalents in current period	413	(1,562)
E00100	Opening cash and cash equivalents	69,294	(161,064)
		2,086,377	2,293,568
E00200	Closing cash and cash equivalents	$ 2,155,671	$ 2,132,504

The accompanying notes are an integral part of these financial statements.

(Please refer to the Review Report of Deloitte & Touche, dated May 13, 2026

Chairman: C. H. Lee　　Manager: Hsin-Qun Chen　　Head of Accounting: Fei-Fen Hsiao

The First Insurance Co., Ltd.
Notes to financial statements
For periods from January 1 to March 31, 2026 and 2025
(Unless otherwise specified, all amounts are presented in NTD thousands)

1. Corporate history

The First Insurance Co., Ltd. (the Company) was founded in September 1962. It is primarily involved in the offering of non-life insurance products, particularly fire insurance, cargo insurance and automobile insurance. The Company has branches established in Taichung, Kaohsiung, Tainan, Taoyuan and New Taipei City.

On November 28, 2000, the Company received approval from Securities and Futures Commission, Ministry of Finance, to list for trading on Taiwan Stock Exchange Corporation.

This financial report is presented using the Company's functional currency (NTD).

2. Financial statement approval date and procedures

This financial report was passed during the Board of Directors meeting dated May 13, 2026.

3. Adoption of new and amended standards and interpretations

(1) Initial adoption of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Standing Interpretations Committee (SIC) Interpretations (collectively, "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

Except for the following explanations, the application of the amended Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the IFRS Accounting Standards endorsed and issued into effect by the FSC will not result in significant changes to the Company’s accounting policies:

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

IFRS 17 is the accounting standard that governs the recognition, measurement, presentation, and disclosure of insurance contracts, and it replaces IFRS 4 "Insurance Contracts". For related accounting policies, please refer to Note 4(3), Insurance Contracts.

Under IFRS 4, premium income from direct insurance business is recognized based on all issued and endorsed insurance policies during the current period. Reinsurance premium income from inward reinsurance business is recognized on a statement-of-account-received basis in the ordinary course of business, and unreceived reinsurance premium income is estimated on a reasonable and systematic basis at the end of the reporting period. Related acquisition costs (such as commission expenses, agency fees, brokerage fees, and reinsurance commission expenses, etc.) are recognized in the same period and are not deferred.

The Company accounts for the transition in accordance with the transitional provisions of IFRS 17. In principle, the Company applies IFRS 17 retrospectively using the full retrospective approach. However, if full retrospective application is impracticable, the Company chooses to apply either the modified retrospective approach or the fair value approach.

When applying the full retrospective approach, the Company identified, recognized, and measured each group of insurance contracts and all insurance acquisition cash flows assets as of January 1, 2025, as if IFRS 17 had always been applied, except that no assessment was performed on the liability/asset for remaining coverage and the liability/asset for incurred claims before January 1, 2025. When applying the modified retrospective approach, the Company used reasonable and supportable information to achieve an outcome that is as close to the full retrospective application as possible; please refer to Note 4(3) Insurance Contracts. When applying the fair value approach, reasonable and supportable information is also used, and the contractual service margin or loss component of the liability for remaining coverage as of January 1, 2025 is determined by the difference between the fair value of a group of insurance contracts and the fulfilment cash flows measured at that date; please refer to Note 4(3) Insurance Contracts.

Redesignation of financial assets

On the date of initial application of IFRS 17, an entity that has already applied IFRS 9 may redesignate financial assets that meet the requirements of paragraph C29 of IFRS 17. In addition, for financial assets derecognized during the comparative period of the initial application of IFRS 17, the entity may elect to apply the classification overlay approach on an instrument-by-instrument basis, as if those financial assets had been redesignated in accordance with paragraph C29 of IFRS 17 during the comparative period.

(2) IFRS accounting standards issued by IASB but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless otherwise specified, all new/amended/modified standards and interpretations above shall take effect from the financial year that begins after the specified date.

Note 2: On September 25, 2025, the FSC announced that enterprises in the R.O.C. shall apply IFRS 18 starting from January 1, 2028, and may also elect to early adopt it after IFRS 18 is endorsed by the FSC.

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 under this standard include:

- The Company shall assess whether its main business activities include investing in specific types of assets and providing financing to customers, so as to classify income and expense items in the statement of profit or loss 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.

In addition, consequential amendments were made to IAS 7 "Statement of Cash Flows" as follows:

- When the Company prepares cash flows from operating activities using the indirect method, it shall use operating profit or loss as the starting point for the reconciliation.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company, upon assessment, possesses specific main business activities, it must consider the categories in which dividend income, interest income, and interest expenses are presented in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of the aforementioned cash flows can only be classified within a single activity in the statement of cash flows.

Save for the aforementioned impacts, as of the date this financial report was authorized for issue, the Company is still continuously assessing other impacts of the amendments to various standards and interpretations on its financial position and financial performance. Relevant impacts will be disclosed upon completion of the assessment.

4、 Summary of Significant Accounting Policies

(1) Statement of compliance

This financial report has been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and FSC-approved IAS 34 - "Interim Financial Reporting." The financial statements do not contain all IFRSs disclosures required in a full-year report.

(2) Basis of preparation

This financial report has been prepared based on historical cost and, except for financial instruments carried at fair value, defined benefit assets recognized at the current value of defined benefit obligations less the fair value of plan assets, and employee benefit liability reserve.

Fair value measurement can be rated on a level of 1 to 3 depending on the ease of observation and significance of inputs:

1. Level 1 input: Refers to quotations that can be obtained from an active market (unadjusted) on the measurement date for asset or liability of equivalent nature.
2. Level 2 input: Refers to inputs that can be observed directly (i.e. price) or indirectly (i.e. established from price) for an asset or liability, other than Level 1 quotations.
3. Level 3 input: Refers to inputs that cannot be observed for an asset or liability.

(3) Insurance Contracts

1. Definition and Scope

(1) Insurance contracts issued (including reinsurance contracts):

An insurance contract is a contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company identifies significant insurance risk only if an insured event could cause the issuer to pay additional amounts that are significant in any scenario, excluding scenarios that lack commercial substance (i.e., those that have no discernible effect on the economics of the transaction).

(2) Reinsurance contracts held:

The Company mitigates its risk exposure through reinsurance. Reinsurance contracts held transfer substantially all the insurance risk relating to the reinsured portion of the underlying insurance contracts to the reinsurer, and even if a reinsurance contract held does not expose the issuer to the possibility of a significant loss, that contract is still deemed to transfer significant insurance risk.

2. Separation of Components from an Insurance Contract

The Company shall assess whether an insurance contract contains components that are required to be separated. IFRS 17 requires the following components to be separated if they would be separate contracts:

(1) Cash flows related to embedded derivatives that are required to be separated under IFRS 9;
(2) Cash flows relating to distinct investment components;
(3) Any promises to transfer distinct goods or non-insurance services to a policyholder.

3. Level of Contract Aggregation

(1) Insurance Contracts

In accordance with IFRS 17, the Company identifies portfolios of insurance contracts as contracts subject to similar risks and managed together. Groups of insurance contracts are managed by dividing a portfolio of insurance contracts into contracts issued within a period of no more than one year and at initial recognition:

A. A group of contracts that are onerous;
B. A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
C. A group of the remaining contracts in the portfolio.

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

For insurance contracts to which the premium allocation approach applies, the Company assumes no contracts in the portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise. If facts and circumstances indicate that any contracts are onerous, the Company performs an additional assessment to distinguish the onerous contracts from the remaining contracts.

(2) Reinsurance Contracts Held

The level of aggregation of portfolios of reinsurance contracts held shall be assessed separately from portfolios of insurance contracts issued. To apply the requirements for the level of aggregation of contracts, the Company divides reinsurance contracts held within a period of no more than one year at initial recognition into:

A. A group of contracts that are a net gain;

B. A group of contracts that at initial recognition have no significant possibility of becoming a net gain subsequently; and

C. A group of the remaining contracts in the portfolio.

4. Initial Recognition of Contracts

(1) Insurance Contracts

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

A. The beginning of the coverage period of the group of contracts;

B. The date when the first payment from a policyholder in the group becomes due; and

C. For a group of onerous contracts, when the group becomes onerous.

D. The Company treats insurance contracts acquired in a transfer of insurance contracts that do not constitute a business or in a business combination within the scope of IFRS 3 as if they had been entered into at the date of the transaction.

(2) Reinsurance contracts held

The Company shall recognize a group of reinsurance contracts held from the earliest of the following:

A. The beginning of the coverage period of the group of reinsurance contracts held; and

B. The date the Company recognizes an onerous group of underlying insurance contracts, if the Company entered into the related reinsurance contracts held in the group at or before that date.

The Company shall delay the recognition of a group of reinsurance contracts held that provides proportionate coverage until the date that any underlying insurance contract is initially recognized, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

(3) Only contracts that individually meet the recognition criteria by the end of a reporting period are included in the group of contracts. If contracts meet the criteria for recognition in a group after the end of a reporting period, they are included in that group in the reporting period in which they meet the criteria, subject to the limitation on annual cohorts.

5. Contract Modification and Derecognition

If the terms of an insurance contract are modified by agreement between the parties or by a regulatory change, unless the original contract meets the conditions for derecognition, the Company treats the change in cash flows resulting from the modification as a change in estimates of fulfillment cash flows.

The Company shall derecognize an insurance contract when, and only when, one of the following conditions is met:

(1) It is extinguished—that is, when the obligation specified in the insurance contract is discharged, cancelled or expires;

(2) Any of the conditions for the modification of an insurance contract is met, in which case the Company derecognizes the original contract and recognizes the modified contract as a new contract.

A. The modified terms would have been such that the Company would have concluded that the contract would have:

a. Been excluded from the scope of IFRS 17;

b. Resulted in different separated components from the host insurance contract, generating a different insurance contract to which IFRS 17 applies;

c. Resulted in a significantly different contract boundary; or

d. Been included in a different group of contracts;

B. Been measured applying the premium allocation approach, but the modification means that the contract no longer meets the eligibility criteria for that approach.

6. Measurement of Insurance Contracts and Reinsurance Contracts Held

(1) Insurance contract assets / liabilities: refer to insurance contracts recognized in accordance with IFRS 17 and the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises," which are aggregated to the portfolio of insurance contracts level and presented as assets if they have a net debit balance or as liabilities if they have a net credit balance. These include the liability for remaining coverage, liability for incurred claims, and insurance acquisition cash flows asset.

(2) Reinsurance contract assets / liabilities: refer to reinsurance contracts recognized in accordance with IFRS 17 and the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises," which are aggregated to the portfolio of reinsurance contracts held level and presented as assets if they have a net debit balance or as liabilities if they have a net credit balance. These include the asset for remaining coverage and asset for incurred claims, and incorporate the effect of any risk of non-performance by the issuer of the reinsurance contracts.

(3) Initial Recognition: Groups of Contracts Not Applying the Premium Allocation Approach

On initial recognition, the Company shall measure a group of insurance contracts at the total of the fulfillment cash flows and the contractual service margin.

A. Fulfillment Cash Flows

a. The Company estimates the present value of future cash flows within the contract boundary for a group of insurance contracts—including premiums to be received, and claims, benefits, and expenses to be paid—adjusted to reflect the time value of money and the financial risks related to those future cash flows. These include:

(a) Estimate of Future Cash Flows

(b) An adjustment to reflect the time value of money and financial risks related to future cash flows (to the extent that financial risks are not included in the estimate of future cash flows); and

(c) Risk adjustment for non-financial risk.

The discount rates applied to the estimate of future cash flows shall reflect the timing, currency, and liquidity characteristics of the cash flows of the insurance contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for groups of reinsurance contracts held and for groups of underlying insurance contracts.

b. Contract Boundary

The Company applies the concept of the contract boundary to determine the cash flows included in groups of insurance contracts. Cash flows outside the contract boundary that relate to future insurance contracts are recognized when such contracts meet the criteria for recognition.

Cash flows are within the boundary of an insurance contract if they arise from rights and obligations that exist during the reporting period, for example when the Company has the right to require the policyholder to pay premiums or has a substantive obligation to provide insurance contract services to the policyholder. The substantive obligation to provide insurance contract services ends when the Company has the practical ability to reassess the risks of a specific policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or when both of the following conditions are met:

(a) The Company has the practical ability to reassess the risks of a portfolio of insurance contracts that includes the contract and, as a result, can set a price or level of benefits that fully reflects those risks;

(b) The pricing of premiums up to the date of risk reassessment does not take into account risks related to periods after the date of reassessment.

For groups of held reinsurance contracts, cash flows are within the contract boundary if they arise from rights and obligations that exist during the reporting period. For example, the Company has an obligation to pay reinsurance premiums to the reinsurer, or the Company has a substantive right to receive insurance contract services provided by the reinsurer.

c. Insurance Acquisition Cash Flows

Cash flows arising from costs incurred in selling, underwriting, and initiating a group of insurance contracts (issued or expected to be issued) that are directly attributable to a portfolio of insurance contracts to which the group belongs.

The Company uses a systematic and rational method to allocate insurance acquisition cash flows to:

(a) Allocate insurance acquisition cash flows that are directly attributable to a group of insurance contracts to:

  (i) that group; and

  (ii) groups that include insurance contracts expected to arise from renewals of insurance contracts in that group.

(b) Allocate insurance acquisition cash flows that are directly attributable to a portfolio of insurance contracts to groups of insurance contracts within that portfolio that exist or are expected to exist.

The Company recognizes insurance acquisition cash flows paid before the recognition of the related group of insurance contracts as an insurance acquisition cash flow asset, and derecognizes the insurance acquisition cash flow asset when the insurance acquisition cash flows are included in the measurement of the related group of insurance contracts.

At the end of each reporting period, the Company assesses the recoverability of insurance acquisition cash flow assets. If facts and circumstances indicate that the insurance acquisition cash flow asset may be impaired, the carrying amount of the asset is adjusted and an impairment loss is recognized in insurance service expenses. When the impairment no longer exists or has decreased, the previously recognized impairment loss is reversed, in whole or in part, in profit or loss and the carrying amount of the asset is increased.

d. Risk Adjustment for Non-Financial Risk

The Company shall adjust the estimate of the present value of future cash flows to reflect the compensation required for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risk.

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

B. Contractual Service Margin (CSM)

a. Insurance Contracts

The Company recognizes unearned profit relating to the future provision of insurance contract services as the contractual service margin, which forms a component of the asset or liability for a group of insurance contracts. The contractual service margin is recognized in profit or loss as insurance contract services are provided under the group. On initial recognition of a group of insurance contracts, the contractual service margin is measured at an amount that results in no income or expenses arising, unless the group is onerous or relates to the derecognition of other pre-recognition cash flow assets or liabilities, in which case insurance revenue and insurance service expenses are recognized:

(a) The initial recognition of fulfilment cash flows;
(b) all cash flows arising from contracts in the group at that date;
(c) the derecognition of all insurance acquisition cash flow assets; and
(d) the derecognition of all other assets or liabilities previously recognized in respect of cash flows related to the group of contracts, with insurance revenue and insurance service expenses recognized simultaneously.

If the aggregate of the above results in a net outflow, the insurance contract is onerous at the date of initial recognition. The Company immediately recognizes the net outflow as a loss in profit or loss, such that the carrying amount of the liability for the group equals the fulfilment cash flows and the contractual service margin for the group is zero. A loss component of the liability for remaining coverage is established for the amount of the loss recognized.

b. Reinsurance Contracts Held

Any net cost or net gain on a group of reinsurance contracts held is recognized as a contractual service margin upon initial recognition, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of that group of reinsurance contracts held, in which case the Company recognizes such costs immediately in profit or loss as an expense. For reinsurance contracts held, the contractual service margin represents the net cost or net gain that the Company defers to be recognized as the reinsurance contract services are received from the reinsurer in the future, and it is the sum of the following:

(a) Fulfilment Cash Flows;

(b) the derecognition of any assets or liabilities previously recognized in respect of cash flows related to the group of held reinsurance contracts at that date;

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

(d) When a loss is recognized on initial recognition of a group of onerous underlying insurance contracts, or when onerous underlying insurance contracts are added to a group, the Company adjusts the contractual service margin of the group of reinsurance contracts held and consequently recognizes a gain in profit or loss. Simultaneously, the Company establishes or adjusts a loss-recovery component within the asset for remaining coverage to reflect the gain recognized.

When a group of onerous insurance contracts includes both insurance contracts covered by a group of held reinsurance contracts and insurance contracts not covered by such reinsurance contracts, the Company applies a systematic and rational allocation method to determine the portion of the loss recognized for the group of insurance contracts that relates to the insurance contracts covered by the group of held reinsurance contracts.

C. For insurance contracts acquired through transfer of insurance contracts or in a business combination within the scope of IFRS 3, on initial recognition of the group of insurance contracts, the contractual service margin shall be measured at an amount that results in no income or expenses arising from the following:

a. the initial recognition of fulfilment cash flows;

b. all cash flows arising from contracts in the group at that date, including the fair value of the group of contracts at the acquisition date as a proxy for premiums received.

(4) Subsequent Measurement: Groups of Contracts Not Applying the Premium Allocation Approach

A. Insurance contract group: At the end of each reporting period, the carrying amount shall be the sum of the following:

a. Liability for Remaining Coverage, comprising:

(a) the fulfilment cash flows relating to future service allocated to the group at that date;

(b) the contractual service margin of the group at that date.

b. Liability for incurred claims, comprising the fulfilment cash flows relating to past service allocated to the group at that date.

B. Group of held reinsurance contracts: At the end of each reporting period, the carrying amount shall be the sum of the following:

a. Asset for Remaining Coverage, comprising:

(a) the fulfilment cash flows relating to future service allocated to the group at that date; and

(b) the contractual service margin of the group at that date.

b. Asset for incurred claims, comprising the fulfilment cash flows relating to past service allocated to the group at that date.

C. Changes in Fulfilment Cash Flows

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

(a) changes relating to current or past service are recognized in profit or loss;

(b) changes relating to future service are recognized by adjusting the contractual service margin or the loss component.

b. For insurance contracts applying the general model, changes in fulfilment cash flows relating to future service adjust the contractual service margin of the group of insurance contracts, including:

(a) premiums received during the period that relate to future service and related cash flows, such as experience adjustments arising from insurance acquisition cash flows;

(b) changes in the estimate of the present value of future cash flows for the liability for remaining coverage;

(c) the difference between any investment component expected to become payable in the period and the investment component that actually becomes payable in the period. Such difference is determined by comparing (i) the investment component that actually becomes payable in the period with (ii) the expected payments for the period at the beginning of the period, plus any insurance finance income or expenses related to those expected payments before they become payable;

(d) changes in the risk adjustment for non-financial risk relating to future service.

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

c. For insurance contracts applying the general model, the following changes in fulfilment cash flows do not adjust the contractual service margin of the group of insurance contracts, because they do not relate to future service:

(a) the effect of the time value of money and changes in the time value of money, and the effect of financial risk and changes in financial risk, on fulfilment cash flows;

(b) changes in the estimates of fulfilment cash flows relating to liabilities for incurred claims;
(c) experience adjustments arising from premiums received during the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows;
(d) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

D. Adjustments to the Contractual Service Margin

a. For issued insurance contracts, the carrying amount at the end of each reporting period equals the carrying amount at the beginning of the reporting period, adjusted for the following:
(a) The effect of any new contracts added to the group;
(b) interest accreted on the carrying amount of the contractual service margin during the reporting period, measured using the discount rates determined at initial recognition;
(c) For changes in fulfillment cash flows related to future services, please refer to the explanations in Note 4(3), 6.(4)C.b. These changes are recognized by adjusting the contractual service margin (CSM), provided that the adjustment does not exceed the carrying amount of the CSM. When the increase in fulfillment cash flows exceeds the carrying amount of the CSM, the CSM is reduced to zero, and the excess is recognized as insurance service expense; simultaneously, a loss component is established within the liability for remaining coverage. When the CSM is already zero, changes in fulfillment cash flows are recognized in insurance service expenses and adjust the loss component. If subsequent decreases in fulfillment cash flows exceed the loss component, the loss component is reduced to zero, and the remaining amount is used to reinstate the contractual service margin.
(d) The effect of any foreign currency exchange differences on the contractual service margin; and
(e) The amount recognized as insurance revenue for services provided during the period.

b. For the contractual service margin of a group of held reinsurance contracts at the end of the reporting period, it is measured as the carrying amount determined at the beginning of the reporting period, adjusted for the following:
(a) the effect of any new contracts added to the group;
(b) interest accreted on the carrying amount of the contractual service margin, measured using the discount rates determined at initial recognition;
(c) income recognized when a group of underlying onerous insurance contracts is initially recognized or when losses are recognized on adding onerous underlying insurance contracts to a group, and the establishment (or adjustment) of the loss-recovery component of the asset for remaining coverage for the group of reinsurance contracts held for that amount;

(d) reversals of the loss-recovery component recognized, to the extent such reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;

(e) changes in fulfilment cash flows relating to future service, unless such changes arise from fulfilment cash flows allocated to the group of underlying insurance contracts that do not adjust the contractual service margin of the group of underlying insurance contracts;

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

(g) the amount recognized in profit or loss for services received during the period.

For the purpose of applying paragraphs (c) to (e) above, the Company shall use a systematic and rational allocation method to determine the portion of the loss recognized for the group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

c. Discount Rate Used for Accreting Interest on the Contractual Service Margin (CSM)

For insurance contracts without direct participation features, interest is accreted using the discount rates determined at the date of initial recognition of the group of contracts. If additional contracts are added to an existing group, the Company uses the weighted-average discount rate over the period in which the contracts in the group were issued, which shall not exceed one year.

d. Release of the Contractual Service Margin to Profit or Loss

The amount recognized in profit or loss for the transfer of insurance contract services during the period is determined by allocating the remaining contractual service margin at the end of the reporting period to the current and remaining coverage periods based on coverage units.

The coverage period is the period during which the Company provides insurance contract services. Insurance contract services consist of providing coverage for insured events.

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

Coverage units for reinsurance are based on the insurance coverage provided by the reinsurer, and the relevant amounts take into account not only the coverage of the underlying insurance contracts but also new contracts within the contract boundary of the reinsurance contract.

For such contracts, the coverage period is determined based on the coverage period of the underlying contracts for which all cash flows fall within the contract boundary of the reinsurance contract.

e. Onerous Contracts – Loss Component

When increases in fulfilment cash flows exceed the carrying amount of the contractual service margin, the group of contracts becomes onerous, and the excess is recognized in insurance service expenses. A loss component is established within the liability for remaining coverage.

After recognizing a loss for a group of onerous insurance contracts, the Company allocates the following items to the loss component and the liability for remaining coverage excluding the loss component using the proportion of the loss component to the expected future cash outflows in fulfilment cash flows plus the risk adjustment for non-financial risk:

(a) the estimate of the present value of future cash flows for claims and expenses released from the liability for remaining coverage due to incurred insurance service expenses;
(b) changes in the risk adjustment for non-financial risk; and
(c) insurance finance income or expenses.

The allocation of (a) and (b) above reduces the components of insurance revenue and insurance service expenses, respectively.

In subsequent periods, if fulfilment cash flows decrease, the remaining loss component is reduced and, once the loss component is reduced to zero, the contractual service margin is reinstated; if fulfilment cash flows increase, the loss component is increased.

The Company establishes or adjusts the loss-recovery component of a group of held reinsurance contracts to reflect changes in the loss component of the group of underlying onerous insurance contracts. The carrying amount of the loss-recovery component shall not exceed the amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of held reinsurance contracts.

The loss-recovery component is determined as the amount reported in profit or loss as a reversal of loss recoveries from held reinsurance contracts and is therefore excluded from the allocation of premiums paid to reinsurers.

(5) Initial Recognition and Subsequent Measurement: Groups of Contracts Applying the Premium Allocation Approach (PAA)

A. Insurance Contracts:

The Company applies the premium allocation approach to measure insurance contracts with a coverage period of one year or less, as well as insurance contracts with a coverage period exceeding one year that pass the eligibility test for applying the premium allocation approach.

For issued insurance contracts, the Company defers the recognition of insurance acquisition cash flows allocated to groups of contracts applying the premium allocation approach over the coverage period of the groups of contracts.

For issued insurance contracts, on initial recognition the Company measures the liability for remaining coverage as premiums received at that date, less any insurance acquisition cash flows at that date, plus or minus the derecognition of any insurance acquisition cash flow asset and any other assets or liabilities recognized for cash flows related to the group of contracts before initial recognition.

For issued insurance contracts, the Company recognizes insurance acquisition cash flows allocated to groups of contracts applying the premium allocation approach as an expense.

For issued insurance contracts, on initial recognition the Company measures the liability for remaining coverage as premiums received at that date, plus or minus the derecognition of any insurance acquisition cash flow asset and any other assets or liabilities recognized for cash flows related to the group of contracts before initial recognition.

At the end of each reporting period, the carrying amount of a group of insurance contracts shall be the sum of the following:

a. Liability for Remaining Coverage;
b. Liability for Incurred Claims, comprising the fulfilment cash flows relating to past service allocated to the group at the reporting date.

For issued insurance contracts, at the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is the carrying amount at the beginning of the reporting period:

a. Plus premiums received during the period;
b. less insurance acquisition cash flows;
c. less the amount recognized as insurance revenue for coverage provided during the period;
d. plus any amounts related to the amortization of insurance acquisition cash flows recognized as an expense in the reporting period;
e. plus the effect of the time value of money during the period.

B. Reinsurance Contracts Held:

The reinsurance contracts held by the Company, with coverage periods of one year or less, and those with coverage periods exceeding one year that have passed the eligibility assessment for the Premium Allocation Approach (PAA), are measured using the Premium Allocation Approach.

For reinsurance contracts held, upon initial recognition, the Company measures the asset for remaining coverage based on the reinsurance premiums paid and any other amounts arising from the derecognition of any cash flows occurring before initial recognition.

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

a. Asset for remaining coverage;
b. Asset for incurred claims, comprising the fulfilment cash flows relating to past service that are allocated to the group as of the valuation date.

For reinsurance contracts held, at the end of each subsequent reporting period, the amount of the asset for remaining coverage is measured based on the carrying amount at the beginning of the reporting period, adjusted for the following:

a. Plus reinsurance premiums paid during the reporting period;

b. Less the reinsurance premiums recognized as reinsurance expenses for services received during the reporting period.

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

C. Although all contractual premiums are due within the coverage period and within one year, the Company nevertheless reflects the time value of money in measuring the liability for remaining coverage of insurance contracts issued.

For contracts measured using the Premium Allocation Approach, the measurement of the liability/asset for incurred claims is similar to that under the General Model, and future cash flows are adjusted to reflect the time value of money.

D. If, at any point during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognizes a loss in profit or loss for the excess of the fulfilment cash flows measured under the General Model over the carrying amount of the liability for remaining coverage, and increases the liability for remaining coverage, thereby establishing a loss component. Subsequently, at the end of each reporting period, the loss component is remeasured by determining the difference between the fulfilment cash flows under the General Model for the related future service and the liability for remaining coverage.

When a loss is recognized on initial recognition of a group of onerous underlying insurance contracts, or upon the addition of onerous underlying insurance contracts to a group, the Company adjusts the asset for remaining coverage of the group of reinsurance contracts held measured under the Premium Allocation Approach, recognizes income, and establishes or adjusts a loss-recovery component of the asset for remaining coverage of the group of reinsurance contracts held. The income recognized is determined by multiplying the loss recognized on the underlying insurance contracts by the percentage of claims on the underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held, provided that the reinsurance contracts held are entered into at or before the time the onerous underlying insurance contracts are recognized.

A group of onerous insurance contracts may include both insurance contracts covered by a group of reinsurance contracts held and insurance contracts not covered by a group of reinsurance contracts held. The Company applies a systematic and rational allocation method to determine the portion of the loss recognized for the group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

7. Insurance Service Result: Insurance Contracts Issued

(1) Insurance Revenue

When the Company provides insurance contract services during the reporting period, it reduces the liability for remaining coverage for the services provided and recognizes insurance revenue. The amount of insurance revenue recognized during the reporting period depicts the transfer of the promised services, and reflects the consideration the Company expects to be entitled to in exchange for those services.

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

A. Amounts arising from changes in the liability for remaining coverage;

a. Insurance service expenses incurred during the period measured at the amounts expected at the beginning of the period, excluding:

(a) Amounts allocated to the loss component of the liability for remaining coverage;

(b) Repayment of investment components;

(c) Amounts related to transaction-based taxes collected on behalf of third parties;

(d) Insurance acquisition expenses;

(e) Amounts related to the risk adjustment for non-financial risk.

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

(a) Changes included in insurance finance income or expenses;

(b) Changes relating to future service;

(c) Amounts allocated to the loss component of the liability for remaining coverage.

c. The amount of the contractual service margin recognized in profit or loss for the current period;

d. Other amounts, such as experience adjustments relating to premiums received that are not related to future service.

B. Allocation of premiums relating to the recovery of insurance acquisition cash flows: insurance revenue related to such cash flows is determined by allocating, on the basis of the passage of time, the portion of premiums associated with the recovery of insurance acquisition cash flows to each reporting period.

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

(2) Insurance Service Expenses

Insurance service expenses include the following items:

A. Incurred claims (excluding investment components) and other incurred insurance service expenses;

B. Amortization of insurance acquisition cash flows;

C. Changes relating to past service, i.e., changes in fulfilment cash flows related to liabilities for incurred claims;

D. Changes relating to future service, i.e., losses on groups of onerous contracts and reversals of such losses;

E. Impairment of assets for insurance acquisition cash flows.

For insurance contracts not measured under the Premium Allocation Approach, the amortization of insurance acquisition cash flows is reflected in insurance service expenses, and the amount corresponds to the allocation of premiums relating to the recovery of insurance acquisition cash flows included in insurance revenue.

Under insurance contracts measured using the Premium Allocation Approach, insurance acquisition cash flows are amortized on a time-proportionate basis.

Cash flows that cannot be directly attributable to a portfolio of insurance contracts, including costs associated with such contracts, are recognized in profit or loss under other operating expenses when incurred.

8. Insurance Service Result: Reinsurance Contracts Held

The Company presents the gain or loss of groups of reinsurance contracts held as a single amount, which includes the following amounts:

(1) For reinsurance contracts held that are not measured using the premium allocation approach, the allocation of premiums paid includes the following amounts arising from changes in remaining coverage:

A. The expected amounts at the beginning of the period for incurred recoveries of claims and other directly attributable expenses for the current period, excluding:

a. the amount allocated to the loss-recovery component of the liability for remaining coverage;

b. repayments of investment components;

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

B. Changes in the risk adjustment for non-financial risk, excluding:

a. changes in the financial income or expenses of reinsurance contracts held;

b. changes relating to future service;

c. amounts allocated to the loss-recovery component.

C. The amount of the contractual service margin recognized in profit or loss for services received in the current period.

D. Experience adjustments arising from premiums for reinsurance that are paid and are not related to future service.

(2) For reinsurance contracts held that are eligible for the premium allocation approach, the Company recognizes reinsurance expense on a time-proportionate basis over the coverage period of the group of contracts.

(3) Amounts Recoverable from Reinsurers:

A. Incurred recoveries from reinsurance claims and benefits (excluding investment components and net of allocations to the loss-recovery component);

B. other incurred reinsurance-related expenses;

C. changes relating to past service, i.e. changes in fulfilment cash flows associated with assets for incurred claims;

D. amounts relating to loss recovery and reversals for onerous underlying contracts.

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

9. Insurance Finance Income or Expenses.

(1) Insurance finance income or expenses comprise changes in the carrying amount of groups of insurance contracts arising from the following:

A. the time value of money and the effect of changes in the time value of money;

B. financial risk and the effect of changes in financial risk;

(2) For contracts accounted for under the general model, insurance finance income or expenses mainly comprise the following:

A. The accretion of interest on fulfilment cash flows and on the contractual service margin;

B. the effect of changes in interest rates and other financial assumptions;
C. the effect of foreign exchange rates.

(3) For contracts measured under the premium allocation approach, insurance finance income or expenses mainly comprise the following:
A. the accretion of interest on the liability for remaining coverage and the liability for incurred claims;
B. the effect of changes in interest rates and other financial assumptions.

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

(5) For contracts accounted for under the general model, the Company elects to disaggregate insurance finance income or expenses for the period, recognizing an amount in profit or loss and the remaining amount in other comprehensive income. The amount recognized in profit or loss is determined by systematically allocating the expected total insurance finance income or expenses over the life of the group of contracts.

(6) For contracts measured under the premium allocation approach, the Company elects to recognize insurance finance income or expenses for the period in profit or loss.

(7) When a group of insurance contracts gives rise to foreign currency cash flows, the Company treats that group of contracts, including the contractual service margin, as a monetary item.

10. Interim Financial Reporting

The Company prepares its interim financial statements in accordance with IAS 34 “Interim Financial Reporting”. In applying IFRS 17 in subsequent interim financial statements or annual reporting periods, the Company elects not to change the accounting estimates made in prior interim financial statements.

11. Transition

The Company applies IFRS 17 retrospectively and may elect to apply the modified retrospective approach and the fair value approach when full retrospective application is impracticable. All contracts issued after January 1, 2024 are measured using the full retrospective approach; all contracts issued between January 1, 2020 and December 31, 2023 are measured using the modified retrospective approach; and the remaining contracts are measured using the fair value approach.

(1) Contracts measured under the full retrospective approach

The Company determines that all insurance contracts issued within one year prior to the transition date have reasonable and supportable information to apply the full retrospective approach.

When applying the full retrospective approach, the Company identifies, recognizes and measures each group of insurance contracts and all insurance acquisition cash flow assets as if IFRS 17 had always been applied. The Company also derecognizes any existing balances that would not exist had IFRS 17 been applied in the past and recognizes any resulting net differences in equity. In accordance with the transition provisions of IFRS 17, the Company has not assessed impairment of insurance acquisition cash flow assets for periods prior to the transition date.

(2) Contracts measured under the Modified Retrospective Approach

The Company has assessed the available historical information and determined that reasonable and supportable information required to apply the full retrospective approach is not available for groups of insurance contracts issued within two to four years prior to the transition date. The Company has elected to apply the modified retrospective approach, which maximizes the use of available information with the intention of achieving outcomes as close as possible to those that would have resulted from applying the full retrospective approach.

The Company applies the permitted modifications for retrospective application within the following scope:

A. Assessments required at the inception date or initial recognition date of insurance contracts or groups of insurance contracts, such as the assessment of profitability of insurance contracts, the classification of contracts with direct participation features, and the identification of discretionary cash flows for contracts with indirect participation features;
B. estimates of expected future cash flows, discount rates, and the risk adjustment for non-financial risk at the date of initial recognition;
C. the determination of the contractual service margin for contracts with direct participation features and for other insurance contracts; and
D. the determination of insurance finance income or expenses.

<u>Level of Aggregation</u>

To the extent that reasonable and supportable information at the date of initial recognition is not available, the Company applies the annual cohort exemption at the transition date and identifies groups of insurance contracts based on profitability.

At the transition date, the Company assesses the contractual service margin to determine the profitability group to which contracts belong (i.e., groups of onerous insurance contracts, groups of insurance contracts with no significant possibility of becoming onerous subsequently, or groups of insurance contracts that do not fall into the above categories), and evaluates the likelihood of changes in profitability at the transition date.

<u>Assessments at Inception or Initial Recognition</u>

The Company assesses that it is unable to obtain reasonable and supportable information at the inception or initial recognition date of contracts to perform the following assessments, and accordingly performs such assessments at the transition date using information available at that date:

A. Whether the contracts meet the definition of insurance contracts with direct participation features;
B. discretionary cash flows identified in insurance contracts with indirect participation features;
C. whether investment contracts meet the definition of investment contracts with discretionary participation features within the scope of IFRS 17.

<u>Expected Cash Flows</u>

The Company estimates cash flows at the date of initial recognition by adjusting estimates of such cash flows at the transition date (or an earlier date) for actual cash flows that are known to have occurred between the date of initial recognition and the transition date (or earlier date), including cash flows of contracts that no longer exist at the transition date.

The Company applies simplified assumptions based on estimates at the transition date that are also valid at the date of initial recognition; therefore, only adjustments are made for cash flows known to have occurred since the date of initial recognition.

Discount Rates

When reasonable and supportable information is not available to determine the discount rates applicable to groups of insurance contracts at the date of initial recognition, the Company uses observable yield curves for at least three years prior to the transition date to estimate discount rates that approximate the current discount rates used for subsequent measurement under IFRS 17.

If such observable yield curves are not available, the Company derives the average spread between observable yield curves and the discount rates determined in accordance with the measurement requirements of IFRS 17, and applies that spread to the observable yield curves to estimate the discount rates applicable at the date of initial recognition (or subsequently).

Risk Adjustment for Non-financial Risk

The Company estimates the amount of the risk adjustment for non-financial risk by adjusting the risk adjustment at the transition date for the expected release of risk prior to the transition date. The expected release of risk is determined by reference to similar insurance contracts issued by the Company at the transition date.

Insurance Acquisition Cash Flows

The Company applies a systematic and rational allocation method to allocate insurance acquisition cash flows incurred between the date of initial recognition and the transition date (excluding amounts related to insurance contracts that no longer exist at the transition date) between groups of insurance contracts recognized at the transition date and groups of insurance contracts expected to be recognized after the transition date.

The balance of the contractual service margin for groups of insurance contracts recognized at the transition date is adjusted for insurance acquisition cash flows paid prior to the transition date and allocated to those groups, to the extent that they relate to insurance contracts expected to be in the group and already recognized. Where the Company determines that reasonable and supportable information is not available to make such allocation, the adjustment to the contractual service margin is recognized as nil at the transition date.

The remaining portion of such insurance acquisition cash flows is recognized as an asset, which will be allocated after the transition date to insurance contracts expected to be recognized within groups of insurance contracts. Where the Company determines that reasonable and supportable information is not available to perform such allocation, the amount of insurance acquisition cash flow assets recognized at the transition date in relation to groups of insurance contracts already recognized at the transition date and those expected to be recognized after the transition date is nil.

Contractual Service Margin

For contracts measured under the general measurement model, if an amount determined at the date of initial recognition gives rise to a contractual service margin, the balance of the contractual service margin at the transition date is determined by comparing units of coverage remaining at the transition date with units of coverage already provided prior to the transition date. Where a loss component is identified at the date of initial recognition, the Company uses a systematic allocation basis to determine the amount allocated to the loss component prior to the transition date.

If the estimated total contractual service margin is negative, it indicates that the group of insurance contracts was onerous at initial recognition. The Company sets the loss component to nil and increases the liability for remaining coverage, excluding the loss component, by the same amount.

Reinsurance Contracts Held

For groups of reinsurance contracts held that are purchased at or before the same time as the issuance of underlying insurance contracts, the Company determines the loss-recovery component of the asset for remaining coverage at the transition date by multiplying the loss component of the liability for remaining coverage of the underlying insurance contracts at the transition date by the percentage of claims expected to be recovered from the group of reinsurance contracts held for onerous groups of underlying insurance contracts. Where the Company does not have reasonable and supportable information to determine the loss-recovery component of the asset for remaining coverage, such loss-recovery component is not recognized.

Insurance Revenue

For groups of insurance contracts for which coverage has expired at the transition date, no insurance revenue is recognized after the transition date.

For groups of insurance contracts determined to be onerous at the transition date (other than contracts with direct participation features), a loss component is estimated at the transition date. Where remaining coverage continues to be provided after the transition date, insurance revenue is recognized for such groups; however, the Company excludes subsequent changes in the loss component when determining changes in the liability for remaining coverage.

For contracts with direct participation features that have remaining coverage, if they are determined at the transition date to have been onerous at initial recognition, the Company does not track any loss component. Insurance revenue is recognized in the same manner as for other non-onerous groups of contracts. Subsequent increases in the share of the fair value of underlying items give rise to a contractual service margin and are allocated to the relevant period and included in the determination of insurance revenue for that period.

Insurance Finance Income or Expenses

For issued contracts with indirect participation features and contracts with direct participation features, insurance contracts issued accounted for under the premium allocation approach, and proportionate reinsurance contracts held measured under both the premium allocation approach and the general measurement model, the Company elects to disaggregate the presentation of insurance finance income or expenses.

The Company applies the annual cohort exemption. The cumulative amount recognized in other comprehensive income at the transition date is estimated as follows:

A. For insurance contracts with indirect participation features and contracts with direct participation features for which the Company does not hold the underlying items, including proportionate reinsurance contracts held, the cumulative amount recognized in other comprehensive income is nil.

B. For contracts with direct participation features for which the Company holds the underlying items, the opening cumulative amount in other comprehensive income equals the balance of other comprehensive income recognized for the underlying items.

C. For insurance contracts issued and accounted for under the premium allocation approach, the cumulative amount recognized in other comprehensive income is nil.

D. For reinsurance contracts held accounted for under the premium allocation approach, the cumulative amount recognized in other comprehensive income is nil.

(3) Contracts Measured under the Fair Value Approach

The Company concludes that, for all insurance contracts issued under long-term fire insurance, reasonable and supportable information required to apply the modified retrospective approach is not available; accordingly, the fair value approach is applied.

The Company uses reasonable and supportable information available at the transition date:

A. To identify groups of insurance contracts;

B. to determine whether insurance contracts meet the definition of insurance contracts with direct participation features;

C. to identify discretionary cash flows in insurance contracts without direct participation features;

D. to determine whether investment contracts meet the definition of investment contracts with discretionary participation features within the scope of IFRS 17.

<u>Level of Aggregation</u>

In the absence of reasonable and supportable information to distinguish groups, the Company includes contracts in groups of contracts issued with an interval of more than one year.

<u>Measurement at the Transition Date</u>

When applying the fair value approach at the transition date, the Company estimates the contractual service margin or the loss component of the liability for remaining coverage as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows. In determining fair value, the Company follows the requirements of IFRS 13 “Fair Value Measurement”, except for requirements relating to demand features (i.e. that fair value shall not be less than the amount payable on demand), as these conflict with the probability-weighted cash flow requirements of IFRS 17.

Discount Rates

The Company uses discount rates at the transition date rather than discount rates at the date of initial recognition.

Insurance Acquisition Cash Flows

The insurance acquisition cash flow asset determined at the transition date by the Company is equal to the amount that the Company expects to incur at the transition date for its right to obtain the following:

(1) Insurance acquisition cash flows for premiums recoverable from insurance contracts issued before the transition date but not yet recognized at the transition date;

(2) future insurance contracts acquired after the transition date without incurring further payment of the related costs that have already been paid;

(3) renewals of insurance contracts recognized at the transition date.

When measuring groups of insurance contracts recognized at the transition date, the Company does not include amounts of insurance acquisition cash flows.

Insurance Finance Income or Expenses

The Company elects to disaggregate insurance finance income or expenses and determines the cumulative amount recognized in other comprehensive income as follows:

(1) For contracts with direct participation features for which the Company holds the underlying items, the opening cumulative amount in other comprehensive income equals the cumulative amount of other comprehensive income recognized for the underlying items.

(2) All other contracts are nil.

Reinsurance Contracts Held

For groups of reinsurance contracts held, the Company determines the loss-recovery component of the asset for remaining coverage at the transition date by multiplying the loss component of the liability for remaining coverage of the underlying insurance contracts at the transition date by the percentage of claims expected to be recovered from the group of reinsurance contracts held for onerous groups of underlying insurance contracts.

Acquired Insurance Contracts

The Company elects to classify liabilities for settlement of claims incurred prior to the transfer of a portfolio or prior to the acquisition of groups of insurance contracts in a business combination within the scope of IFRS 3 as liabilities for incurred claims.

(4) Other Significant Accounting Policies

Except as described below, please refer to the summary of significant accounting policies in the 2025 annual financial report.

1. Defined Benefit post-employment Benefits

The pension cost for interim periods is calculated on a year-to-date basis using the pension cost rate determined by actuarial valuation at the end of the preceding year, and is adjusted for significant market fluctuations during the current period, as well as significant plan amendments, settlements, or other material one-off events.

2. Income Taxes

Income tax expense is the aggregate of current tax and deferred tax. Income tax in interim periods is measured on an annual basis and is calculated by applying the tax rate expected to be applicable to the annual total profit to the interim profit before tax.

3. Special Reserve

Special reserves are classified into “catastrophe special reserves” and “fluctuation of risk special reserves”. The annual additional provision shall be appropriated, net of income tax in accordance with IFRS 12, to special reserves under special surplus reserves within equity. Amounts reversed or released in accordance with regulatory requirements shall, net of income tax in accordance with IFRS 12, be offset against or released from the special reserves recognized as special surplus reserves within equity.

A. Catastrophe Special Reserve

For each line of business, the catastrophe special reserve is appropriated in accordance with the catastrophe special reserve ratio prescribed by the competent authority.

Where a catastrophe event qualifies as a major disaster as announced by the government, and the cumulative retained claims of an individual insurer across all lines of business arising from a single event reach NT$30 million, and the total claims payable across all property and casualty insurers for each line of business reach NT$2 billion or more, the catastrophe special reserve may be utilized for offset.

Where the catastrophe special reserve has been appropriated for more than 15 years, a release mechanism may be established based on the assessment of a certified actuary and submitted to the competent authority for filing and approval.

B. Fluctuation of Risk Special Reserve

When the actual claims of each line of insurance, net of amounts offset by the catastrophe special reserve, are lower than the expected claims, 15% of the difference shall be appropriated to the fluctuation of risk special reserve.

When the actual claims of each line of insurance, net of amounts offset by the catastrophe special reserve, exceed the expected claims, the excess may be offset against the accumulated fluctuation of risk special reserve. If the fluctuation of risk special reserve for that line of business is insufficient, it may be offset against the fluctuation of risk special reserve accumulated from other lines of business. The lines of business and amounts offset shall be handled in accordance with the guidelines prescribed by the competent authority and reported to the competent authority for filing.

When the cumulative balance of the fluctuation of risk special reserve for each line of insurance exceeds 60% of the net earned premium for the current year, the excess portion shall be reversed.

5、 <u>Critical Accounting Judgements and Key Sources of Estimation Uncertainty</u>

In applying accounting policies, where relevant information is not readily available from other sources, management is required to make judgements, estimates, and assumptions based on historical experience and other relevant factors. Actual results may differ from these estimates.

In developing significant accounting estimates, the Company incorporates the potential effects of economic conditions, relevant government policies and regulations, inflation, and fluctuations in market interest rates into its consideration of key estimates, including cash flow projections, growth rates, discount rates, and profitability. Management continuously reviews these estimates and underlying assumptions.

Critical Accounting Judgements

Assessment of Insurance Contracts

As of March 31, 2026, December 31, 2025, and March 31, 2025, insurance contract liabilities issued by the Company amounted to NT$6,879,843 thousand, NT$7,032,897 thousand, and NT$6,957,139 thousand, respectively, comprising the following components:

1. Liability for Remaining Coverage

   Under the general measurement model, these amounts include estimates of future cash flows and the effect of discounting, the risk adjustment for non-financial risk, and the contractual service margin.

2. Liability for Incurred Claims

   It includes estimates of future cash flows relating to past service and the effect of discounting, as well as the risk adjustment for non-financial risk. These amounts are estimated based on reported but unpaid claims and incurred but not reported claims for each group of insurance contracts at the balance sheet date.

   The Company estimates future cash flows based on historical data, actuarial analyses, and other analytical techniques, particularly in determining the assumptions and methods used for incurred but not reported reserves. As actual claim experience may differ from these estimates, such estimations involve a high degree of uncertainty, and changes in the underlying assumptions may have a material impact on the amount of insurance contract liabilities.

   In addition, the risk adjustment for non-financial risk represents the compensation the Company requires for bearing the uncertainty about the amount and timing of cash flows arising from non-financial risks. Its measurement reflects the Company's assessment of the uncertainty of future cash flows and its degree of risk aversion.

6. Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Petty cash and cash on hand	$ 540	$ 812	$ 546
Check and current deposit	1,775,134	1,682,988	1,849,535
Cash equivalents (refers to investments with an initial tenor of 3 months or less)	379,997	402,577	282,423
	$ 2,155,671	$ 2,086,377	$ 2,132,504

Foreign currency deposits are placed with domestic banks. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company held NT$4,246,460 thousand, NT$4,247,209 thousand and NT$4,004,528 thousand of time deposits, respectively, that had initial maturity of more than 3 months and were presented as other financial assets (refer to Note 11).

7. Financial assets at fair value through profit and loss

	March 31, 2026	December 31, 2025	March 31, 2025
Mandatory at fair value throughout profit and loss			
Non-derivative financial assets			
– Locally Listed Stocks	$ 320,817	$ 323,538	$ 394,311
– Fund beneficiary certificates	1,525,506	1,222,203	1,511,012
– Real Estate Investment Trust	133,374	155,302	148,213
– Domestic bank debentures	350,238	354,338	147,249
Subtotal	$ 2,329,935	$ 2,055,381	$ 2,200,785

8. Financial assets at fair value through other comprehensive income

	March 31, 2026	December 31, 2025	March 31, 2025
Investment in equity instruments	$ 2,518,924	$ 2,531,270	$ 2,914,195
Investment in debt instruments	54,162	55,442	53,831
	$ 2,573,086	$ 2,586,712	$ 2,968,026

(1) Investment in equity instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments			
Public-listed shares	$ 1,180,236	$ 1,116,358	$ 1,686,545
Unlisted shares	1,338,688	1,414,912	1,227,650
	$ 2,518,924	$ 2,531,270	$ 2,914,195

The Company held the abovementioned listed and non-listed common shares as strategic investments and not for trading purpose, and therefore opted to account them at fair value through other comprehensive income.

For the purpose of risk diversification, the Company made a series of adjustments to its investment position between January 1 and March 31, 2026. Listed common shares were sold at fair value, and as a result, NT$12,740 thousand of other equity items - unrealized gain on financial assets at fair value through other comprehensive income, respectively, were directly recognized in retained earnings according to IFRS 9.

(2) Investment in debt instruments

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments			
Government bonds	$ 523,056	$ 533,635	$ 518,252
Less: Amount placed as guarantee deposit	(468,894)	(478,193)	(464,421)
	$ 54,162	$ 55,442	$ 53,831

Information on government bond investments as at the balance sheet date:

	March 31, 2026	December 31, 2025	March 31, 2025
Face value of investment	$ 500,000	$ 500,000	$ 600,000
Coupon interest rate	1.625%~2.5%	1.625%~2.5%	1.625%~2.5%
Average maturity	13.75 years	13.99 years	14.75 years

Please refer to Note 10 for information relating to credit risk management and impairment assessment of debt instruments at fair value through other comprehensive income.

Please refer to Note 17 for the amount in government bonds placed as guarantee bond for insurance business as of March 31, 2026, December 31, 2025, and March 31, 2025.

9. Financial assets carried at cost after amortization

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments			
Bank debenture (1)	$ 2,300,000	$ 2,100,000	$ 1,650,000
Corporate bond (2)	2,390,875	2,390,743	2,060,346
Subtotal	4,690,875	4,490,743	3,710,346
Less: loss provisions	(14,425)	(13,214)	(12,736)
	$ 4,676,450	$ 4,477,529	$ 3,697,610

(1) Information on bank debenture investments as of the balance sheet date:

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments			
Face value of investment	$ 2,300,000	$ 2,100,000	$ 1,650,000
Effective interest rate	1.2%~2.7%	1.2%~2.7%	1.2%~2.7%
Average maturity	4.31 years	4.43 years	4.26 years

(2) Information on corporate bond investments as at the balance sheet date:

	March 31, 2026	December 31, 2025	March 31, 2025
Domestic investments			
Face value of investment	$ 2,395,000	$ 2,395,000	$ 2,065,000
Coupon interest rate	0.7%~3.88%	0.7%~3.88%	0.7%~3.75%
Average maturity	6.96 years	7.21 years	6.45 years

(3) Please refer to Note 10 for information relating to credit risk management and impairment assessment of financial assets carried at cost after amortization.

10. Credit risk management of debt instrument investments

Debt instrument investments are classified as financial assets at fair value through other comprehensive income and financial assets carried at cost after amortization:

March 31, 2026

	At fair value through other comprehensive income	At cost after amortization	Total
Cost	$ 557,432	$ 4,690,875	$ 5,248,307
Loss provisions	(131)	(14,425)	(14,556)
Cost after amortization	557,301	$ 4,676,450	5,233,751
Fair value adjustment	(34,245)		(34,245)
	523,056		5,199,506
Amount placed as bond	(468,894)		(468,894)
	$ 54,162		$ 4,730,612

December 31, 2025

	At fair value through other comprehensive income	At cost after amortization	Total
Cost	$ 558,314	$ 4,490,743	$ 5,049,057
Loss provisions	(132)	(13,214)	(13,346)
Cost after amortization	558,182	$ 4,477,529	5,035,711
Fair value adjustment	(24,547)		(24,547)
	533,635		5,011,164
Amount placed as bond	(478,193)		(478,193)
	$ 55,442		$ 4,532,971

March 31, 2025

	At fair value through other comprehensive income	At cost after amortization	Total
Cost	$ 560,996	$ 3,710,346	$ 4,271,312
Loss provisions	(141)	(12,736)	(12,877)
Cost after amortization	560,825	$ 3,697,610	4,258,435
Fair value adjustment	(42,573)		(42,573)
	518,252		4,215,862
Amount placed as bond	(464,421)		(464,421)
	$ 53,831		$ 3,751,441

Please refer to paragraph 2. Credit risk in Note 30(4) Purpose and policy of financial risk management for the Company's credit risk management policy on debt instruments.

11. Other financial assets

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposit with initial maturity of more than 3 months			
- NTD	$ 4,054,490	$ 4,165,490	$ 3,755,490
- Foreign currency	191,970	81,719	249,038
	$ 4,246,460	$ 4,247,209	$ 4,004,528

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Interest rate range - NTD	0.73%~1.725%	0.72%~1.725%	0.73%~1.725%
Interest rate range - Foreign currency	3.75%~3.8%	3.83%~4.2%	4.3%~4.7%

12. Receivables

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 96,283	$ 129,718	$ 110,159
Other receivables	123,492	120,032	93,074
	$ 219,775	$ 249,750	$ 203,233

(1) Details:

	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable			
At cost after amortization			
Arising from business activities	$ 99,069	$ 133,287	$ 113,203
Arising from non-business activities	-	-	9
Less: loss provisions	(2,786)	(3,569)	(3,053)
	$ 96,283	$ 129,718	$ 110,159

	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables			
At cost after amortization			
Interest receivable	$ 110,340	$ 77,507	$ 84,865
Investment Settlement Receivables	1,027	34,800	-
Commission receivable from canceled coverage	16,831	15,272	11,747
Peer claims advanced by receivables	6,249	2,815	2,164
Rent receivable	1,165	897	1,573
Others	365	8	2
Less: loss provisions	(12,485)	(11,267)	(7,277)
	$ 123,492	$ 120,032	$ 93,074

(2) Notes, premiums and other receivables

The Company evaluates customers' credit risk based on historical transaction records and customers' financial position. The Company monitors credit risk exposure and dealings with counterparties on an ongoing basis.

The Company makes loss provisions based on the counterpart's previous payment records, financial position, aging analysis and estimation of the unrecoverable amount. Recoverability of receivables and loans is assessed regularly on an item-by-item basis according to "Regulation on Asset Valuation, Overdue Collection and Loan Loss Provisioning by Insurance Companies" and rules concerning expected credit loss stated in IFRS 9. The higher of the two amounts derived above is determined as loss provision.

If there is evidence to suggest that the counterparty is undergoing severe financial crisis and the recoverable amount cannot be reasonably estimated, such as the case of liquidation, the Company will directly offset loss provisions against accounts receivable. In which case, the Company will continue collection efforts on the receivables, and any amounts recovered will be recognized through profit and loss.

The Company takes into account customer's default history and current financial position and industry prospect. Since the Company's credit loss history showed no significant difference in loss pattern across customer groups, the loss rate is not further distinguished between customer groups, and the expected credit loss rate is simply determined as a function of historical average loss rate and historical default rate.

Notes receivable

	March 31, 2026	December 31, 2025	March 31, 2025
Outstanding and not yet matured	$ 99,069	$ 133,287	$ 113,212

Other receivables

	March 31, 2026	December 31, 2025	March 31, 2025
0~90 days	$ 120,575	$ 117,105	$ 90,119
91 days and above	15,402	14,194	10,232
Total	$ 135,977	$ 131,299	$ 100,351

Aging analysis for other receivables was prepared based on bookkeeping date.

(3) Change in loss provisions:

March 31, 2026

Notes receivable

	Not yet matured	Returned notes	Total
Loss ratio	0.5%~50%	100%	
Total book value	$ 99,069	$ -	$ 99,069
Loss provisions	(2,786)	-	(2,786)
Cost after amortization	$ 96,283	$ -	$ 96,283

Other receivables

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	$ 120,575	$ 15,402	$ 135,977
Loss provisions	(603)	(11,882)	(12,485)
Cost after amortization	$ 119,972	$ 3,520	$ 123,492

December 31, 2025

Notes receivable

	Not yet matured/ redeemed/ collected	Returned notes	Total
Loss ratio	0.5%~50%	100%	
Total book value	$ 133,287	$ -	$ 133,287
Loss provisions	(3,569)	-	(3,569)
Cost after amortization	$ 129,718	$ -	$ 129,718

Other receivables

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	$ 117,105	$ 14,194	$ 131,299
Loss provisions	(585)	(10,682)	(11,267)
Cost after amortization	$ 116,520	$ 3,512	$ 120,032

March 31, 2025

Notes receivable

	Not yet matured/ redeemed/ collected	Returned notes	Total
Loss ratio	0.5%~50%	100%	
Total book value	$ 113,212	$ -	$ 113,212
Loss provisions	(3,053)	-	(3,053)
Cost after amortization	$ 110,159	$ -	$ 110,159

Other receivables

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	$ 90,119	$ 10,232	$ 100,351
Loss provisions	(451)	(6,826)	(7,277)
Cost after amortization	$ 89,668	$ 3,406	$ 93,074

Change in loss provisions by account category:

	January 1 to March 31, 2026		January 1 to March 31, 2025	
	Notes receivable	Other receivables	Notes receivable	Other receivables
Opening balance	$ 3,569	$ 11,267	$ 3,412	$ 5,903
Plus: Losses/expenses provided in the current period	-	1,218	-	1,374
Less: Losses/expenses reversed in the current period	(783)	-	(359)	-
Closing balance	$ 2,786	$ 12,485	$ 3,053	$ 7,277

Explanation to overdue receivables and loss provisions:

1. Balances of other receivables as of March 31, 2026 included NT$15,402 thousand that were overdue, for which the Company had made loss provisions totaling NT$11,882 thousand.
2. Balances of other receivables as of December 31, 2025 included NT$14,194 thousand that were overdue, for which the Company had made loss provisions totaling NT$10,682 thousand.
3. Balances of other receivables as of March 31, 2025 included NT$10,232 thousand that were overdue, for which the Company had made loss provisions totaling NT$6,826 thousand.

13. Investment property

	January 1 to March 31, 2026		
	Land	Houses and Buildings	Total
Cost			
Balance as of January 1, 2026	$ 607,403	$ 356,039	$ 963,442
Increase - current period	-	409	409
Balance as of March 31, 2026	607,403	356,448	963,851
Increase from revaluation			
Balance as of January 1, 2026	163,480	-	163,480
Balance as of March 31, 2026	163,480	-	163,480
Accumulated depreciation			
Balance as of January 1, 2026	-	204,672	204,672
Depreciation	-	1,602	1,602
Balance as of March 31, 2026	-	206,274	206,274
Cumulative impairment			
Balance as of January 1, 2026	15,526	6,172	21,698
Balance as of March 31, 2026	15,526	6,172	21,698

	January 1 to March 31, 2025		
	Land	Houses and Buildings	Total
Cost			
Balance as of January 1, 2025	$ 601,190	$ 353,306	$ 954,496
Balance as of March 31, 2025	601,190	353,306	954,496
Increase from revaluation			
Balance as of January 1, 2025	163,480	-	163,480
Balance as of March 31, 2025	163,480	-	163,480
Accumulated depreciation			
Balance as of January 1, 2025	-	197,595	197,595
Depreciation	-	1,565	1,565
Balance as of March 31, 2025	-	199,160	199,160
Cumulative impairment			
Balance as of January 1, 2025	15,526	6,172	21,698
Balance as of March 31, 2025	15,526	6,172	21,698
Net balance as of March 31, 2025	$ 749,144	$ 147,974	$ 897,118

Depreciation expenses are provided on investment property on a straight-line basis over the number of useful years shown as follows:

Main structure	50 years
Renovation of exterior wall	42 years
Renovation of interior	10 years
Other constructions	10 years

The fair value of investment property was appraised by independent appraisers, Global Vision Real Estate Appraiser Office and Colliers International Real Estate Appraiser Joint Firm, near each balance sheet date. The appraisal used the important unobservable inputs of the comparison approach, the direct capitalization method of the income approach, and the cost approach, including income capitalization rate (a Level 3 input); the fair values of the investment properties were deemed to be determined using Level 3 inputs, and the main underlying assumption was to take a range of transaction prices or the lowest price for the given property.

The fair value evaluated is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Fair value	$ 3,233,379	$ 3,233,379	$ 3,158,476

Investment properties are leased for 1 to 8 years. All operating lease agreements contain clauses that enable the lessor to adjust rent according to the market rate if the lessee chooses to renew lease at the end of the lease tenor. The lessees are not entitled any privileges to purchase the leased properties at the end of the lease period.

The sum of lease payments collectible on investment properties leased out through operating lease as of March 31, 2026, December 31, 2025, and March 31, 2025 is as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Year 1	$ 73,681	$ 61,835	$ 65,440
Year 2	65,578	54,630	56,396
Year 3	50,731	43,173	49,706
Year 4	26,732	25,959	36,194
Year 5	16,785	9,472	30,665
More than 5 years	55,756	25,155	-
	$ 289,263	$ 220,224	$ 238,401

14. Property, plant, and equipment

	January 1 to March 31, 2026			
	Proprietary land	Buildings	Sundry equipment	Total
Cost				
Balance as of January 1, 2026	$ 333,332	$ 325,022	$ 54,723	$ 713,077
Increase - current period	-	-	103	103
Balance as of March 31, 2026	333,332	325,022	54,826	713,180
Increase from revaluation				
Balance as of January 1, 2026	123,786	-	-	123,786

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Balance as of March 31, 2026	123,786	-	-	123,786
Accumulated depreciation				
Balance as of January 1, 2026	-	176,558	35,975	212,533
Depreciation	-	1,623	2,774	4,397
Balance as of March 31, 2026	-	178,181	38,749	216,930
Cumulative impairment				
Balance as of January 1, 2026	4,774	1,898	-	6,672
Balance as of March 31, 2026	4,774	1,898	-	6,672
Net balance as of March 31, 2026	$ 452,344	$ 144,943	$ 16,077	$ 613,364

	January 1 to March 31, 2025			
	Proprietary land	Buildings	Sundry equipment	Total
Cost				
Balance as of January 1, 2025	$ 316,330	$ 322,676	$ 60,192	$ 699,198
Increase - current period	-	-	349	349
Balance as of March 31, 2025	316,330	322,676	60,541	699,547
Increase from revaluation				
Balance as of January 1, 2025	123,786	-	-	123,786
Balance as of March 31, 2025	123,786	-	-	123,786
Accumulated depreciation				
Balance as of January 1, 2025	-	172,188	31,999	204,187
Depreciation	-	1,575	3,196	4,771
Balance as of March 31, 2025	-	173,763	35,195	208,958
Cumulative impairment				
Balance as of January 1, 2025	4,774	1,898	-	6,672
Balance as of March 31, 2025	4,774	1,898	-	6,672
Net balance as of March 31, 2025	$ 435,342	$ 147,015	$ 25,346	$ 607,703

Depreciation expenses are provided on property, plant and equipment on a straight-line basis over the number of useful years shown as follows:

Buildings	
Main structure	36 to 50 years
Renovation of interior	10 to 42 years
Other constructions	5 to 15 years
Sundry equipment	3 to 10 years

Property, plant and equipment for periods from January 1 to March 31, 2026 and 2025, do not include capitalized interest.

The Company's property, plant and equipment showed no sign of impairment as of March 31, 2026, December 31, 2024 and March 31, 2025.

15. Lease arrangements

(1) Right-of-use asset

	March 31, 2026	December 31, 2025	March 31, 2025
Book value of right-of-use assets			
Buildings	$ 3,060	$ 2,817	$ 854
Transportation equipment	286	433	876
Sundry equipment	626	725	1,021
	$ 3,972	$ 3,975	$ 2,751

	January 1 to March 31, 2026	January 1 to March 31, 2025
Additional right-of-use asset	$ 615	$ 441
Depreciation expense on right-of-use assets		
Buildings	$ 372	$ 332
Transportation equipment	147	205
Sundry equipment	99	99
	$ 618	$ 636

(2) Lease liability

	March 31, 2026	December 31, 2025	March 31, 2025
Book value of lease liabilities	$ 4,021	$ 4,021	$ 2,788

Discount rate range for lease liabilities:

	March 31, 2026	December 31, 2025	March 31, 2025
Buildings	3.29%	3.16%～3.29%	2.79%～3.29%
Transportation equipment	2.93%～3.18%	2.93%～3.18%	2.55%～3.18%
Sundry equipment	3.29%	3.29%	3.29%

	January 1 to March 31, 2026	January 1 to March 31, 2025
Interest expense on lease liabilities		
Buildings	$ 24	$ 8
Transportation equipment	3	8
Sundry equipment	6	9
	$ 33	$ 25

(3) Other lease information

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term rent expense	$ 787	$ 1,019
Total cash (outflow) from lease	($ 1,435)	($ 1,681)

For buildings and transportation equipment rented through short-term lease that conform with relevant criteria, the Company chooses to adopt the exemption rule and forgo recognition of right-of-use asset and lease liabilities.

16. Intangible assets

	Computer software	
	January 1 to March 31, 2026	January 1 to March 31, 2025
Cost		
Opening balance	$ 46,546	$ 73,751
Increase - current period	1,381	2,709
Closing balance	47,927	76,460
Accumulated depreciation		
Opening balance	29,206	52,610
Amortization expenses	2,102	3,732
Closing balance	31,308	56,342
Closing net balance	$ 16,619	$ 20,118

The above computer software is amortized on a straight-line basis over 3~5 years.

The Company's intangible assets showed no sign of impairment as of March 31, 2026, December 31, 2025 and March 31, 2025.

17. Other assets - others

	March 31, 2026	December 31, 2025	March 31, 2025
Present value of defined benefit obligations	$ 31,459	$ 30,298	$ 12,466
Guarantee deposits paid	521,714	530,977	521,315
Other assets - others	33,845	29,181	21,091
	$ 587,018	$ 590,456	$ 554,872

(1) Guarantee deposits paid

	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee deposit for insurance business - Government bonds	$ 468,894	$ 478,193	$ 464,421
Others	52,820	52,784	56,894
	$ 521,714	$ 530,977	$ 521,315

According to Articles 141 and 142 of the Insurance Act, insurance enterprises are required to place guarantee deposits amounting to 15% of paid-up capital with the treasury. The guarantee deposit will not be refunded unless the insurance enterprise ceases business operations and completes liquidation. The Company had placed the guarantee deposit in the form of government bonds.

(2) Other assets - others

	March 31, 2026	December 31, 2025	March 31, 2025
Prepaid equipment purchase	$ 28,067	$ 26,718	$ 18,199
Prepayments	3,283	1,890	2,346
Others	2,495	573	546
	$ 33,845	$ 29,181	$ 21,091

18. Payables

	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable	$ 14,215	$ 12,101	$ 13,243
Other payable			
Share settlements payable	73,280	183,546	70,021
Proceeds payable but unpaid to policyholders	27,430	27,463	27,466
Tax payable	24,943	37,189	16,867
Share settlements payable	6,065	-	38,714
Leave encashment payable	2,614	47	2,328
Pension payable	1,970	1,950	1,950
Others	22,084	19,064	22,383
	158,386	269,259	179,729
	$ 172,601	$ 281,360	$ 192,972

19. Other liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Guarantee deposits received	$ 14,551	$ 16,941	$ 14,621
Receipts in suspense and pending settlement	490,271	429,010	314,303
Special claim reserve	2,635,001	1,751,204	1,759,012
Others	4,894	2,140	3,840
	$3,144,717	$2,199,295	$2,091,776

20. Retirement benefit plan

Defined benefit plan expenses for the periods from January 1 to March 31, 2026 and 2025, were calculated based on actuarial assumptions, pension cost rates, and pension costs determined as of December 31, 2025 and 2024; the above amounts were calculated at NT$419 thousand and NT$505 thousand, respectively.

21. Insurance Contract Assets and Liabilities

(1) Insurance Contracts Issued

1. Rollforward of Insurance Contract Assets and Liabilities

The following tables present the rollforward of insurance contracts issued from opening to closing balances for the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

January 1 to March 31, 2026

	Liability for remaining coverage			Incurred Claims Liability Measured Using the General Measurement Model	Incurred Claims Liability Measured Using the Premium Allocation Approach			
	Excl. Loss Component	Any Loss Component	Subtotal		Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Total
Opening insurance contract asset balance	($ 3,433)	($ 1)	($ 3,434)	$ -	$ 887	$ 34	$ 921	($ 2,513)
Opening insurance contract liability balance	3,048,283	233,360	3,281,643	10,540	3,579,290	161,424	3,740,714	7,032,897
Net balance as at Jan 1, 2026	3,044,850	233,359	3,278,209	10,540	3,580,177	161,458	3,741,635	7,030,384
Insurance revenue								
Contracts under modified retrospective approach	(4,032)	-	(4,032)	-	-	-	-	(4,032)
Contracts under fair value approach	(111)	-	(111)	-	-	-	-	(111)
All other contracts	(2,315,777)	-	(2,315,777)	-	-	-	-	(2,315,777)
Total insurance revenue	(2,319,920	-	(2,319,920)	-	-	-	-	(2,319,920)
Insurance service expenses								
Incurred claims (excl. investment components) & other incurred expenses	-	(1,372)	(1,372)	1,215	1,246,752	89,581	1,336,333	1,336,176
Changes related to past service — FCF changes for liability for incurred claims	-	-	-	(2,870)	(384,476)	38,808	(345,668)	(348,538)
Changes related to future service — losses and reversals on onerous groups	-	(79,483)	(79,483)	-	-	-	-	(79,483)
Amortisation of insurance acquisition cash flows	536,020	-	536,020	-	-	-	-	536,020
Total insurance service expenses	536,020	(80,855)	455,165	(1,655)	862,276	128,389	990,665	1,444,175
Insurance service result	(1,783,900)	(80,855)	(1,864,755)	(1,655)	862,276	128,389	990,665	(875,745)
Insurance finance income or								

	Liability for remaining coverage			Incurred Claims Liability	Incurred Claims Liability Measured Using the Premium Allocation Approach			
	Excl. Loss Component	Any Loss Component	Subtotal	Measured Using the General Measurement Model	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Total
expenses								
Insurance finance income or expenses recognized in P&L — interest-related	15,052	(109)	14,943	12	9,277	439	9,716	24,671
Total insurance finance income or expenses	15,052	(109)	14,943	12	9,277	439	9,716	24,671
Total amounts recognized in comprehensive income	(1,768,848)	(80,964)	(1,849,812)	(1,643)	871,553	128,828	1,000,381	(851,074)
Other movements	4	(4)	-	-	-	-	-	-
Cash flows in the period								
Premiums received from insurance contracts issued	2,345,958	-	2,345,958	-	-	-	-	2,345,958
Claims and other expenses paid	-	-	-	(354)	(1,126,610)	-	(1,126,610)	(1,126,964)
Insurance acquisition cash flows	(520,038)	-	(520,038)	-	-	-	-	(520,038)
Total cash flows in the period	1,825,920	-	1,825,920	(354)	(1,126,610)	-	(1,126,610)	698,956
Closing insurance contract asset balance	(2,310)	16	(2,294)	-	651	66	717	(1,577)
Closing insurance contract liability balance	3,104,236	152,375	3,256,611	8,543	3,324,469	290,220	3,614,689	6,879,843
Net balance as at Mar 31, 2026	$ 3,101,926	$ 152,391	$ 3,254,317	$ 8,543	$ 3,325,120	$ 290,286	$ 3,615,406	$ 6,878,266

January 1 to March 31, 2025

	Liability for Remaining Coverage			Incurred Claims Liability Measured Using the General Measurement Model	Incurred Claims Liability Measured Using the Premium Allocation Approach			
	Excl. Loss Componen	Any Loss Component	Subtotal		Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Subtotal
Opening Balance of Insurance Contract Assets	($ 2,185)	$ -	($2,185)	$ -	$ 967	$ 37	$1,004	($1,181)
Opening Balance of Insurance Contract Liabilities	3,101,497	205,307	3,306,804	10,514	3,564,890	157,392	3,722,282	7,039,600
Net Balance as of January 1, 2025	3,099,312	205,307	3,304,619	10,514	3,565,857	157,429	3,723,286	7,038,419
Insurance Revenue								
Contracts Applying the Modified Retrospective Approach	(5,057)	-	(5,057)	-	-	-	-	(5,057)
Contracts Applying the Fair Value Approach	(3,990)	-	(3,990)	-	-	-	-	(3,990)
All Other Contracts	(2,350,150)	-	(2,350,150)	-	-	-	-	(2,350,150)
Subtotal of Insurance Revenue	(2,359,197)	-	(2,359,197)	-	-	-	-	(2,359,197)
Insurance Service Expenses								
Incurred Claims (Excluding Investment Components) and Other Incurred Insurance Service Expenses	-	-	-	5,325	1,345,897	58,053	1,403,950	1,409,275
Changes Relating to Past	-	-	-	(3,759)	(268,892)	(63,249)	(332,141)	(335,900)

	Liability for Remaining Coverage			Incurred Claims Liability	Incurred Claims Liability Measured Using the Premium Allocation Approach			
	Excl. Loss Componen	Any Loss Component	Subtotal	Measured Using the General Measurement Model	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Subtotal
Service – Changes in Fulfilment Cash Flows Relating to Incurred Claims Liabilities								
Changes Relating to Future Service – Losses and Reversals of Losses on Groups of Onerous Contracts	-	31,555	31,555	-	-	-	-	31,555
Amortization of Insurance Acquisition Cash Flows	560,203	-	560,203	-	-	-	-	560,203
Subtotal of Insurance Service Expenses	560,203	31,555	591,758	1,566	1,077,005	(5,196)	1,071,809	1,665,133
Insurance Service Result	(1,798,994)	31,555	(1,767,439)	1,566	1,077,005	(5,196)	1,071,809	(694,064)
Insurance Finance Income or Expenses								
Insurance Finance Income or Expenses Recognized in Profit or Loss – Interest Rate-Related	16,935	-	16,935	25	11,766	183	11,949	28,909
Subtotal of Insurance Finance	16,935	-	16,935	25	11,766	183	11,949	28,909

	Liability for Remaining Coverage			Incurred Claims Liability Measured Using the General Measurement Model	Incurred Claims Liability Measured Using the Premium Allocation Approach			
	Excl. Loss Componen	Any Loss Component	Subtotal		Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Subtotal
Income or Expenses								
Total Amount Recognized in the Statement of Comprehensive Income	(1,782,059)	31,555	(1,750,504)	1,591	1,088,771	(5,013)	1,083,758	(665,155)
Cash Flows During the Period								
Premiums Received for Issued Insurance Contracts	2,381,614	-	2,381,614	-	-	-	-	2,381,614
Claims Paid and Other Insurance Service Expenses Paid for Issued Insurance Contracts	-	-	-	(492)	(1,255,987)	-	(1,255,987)	(1,256,479)
Insurance Acquisition Cash Flows	(542,341)	-	(542,341)	-	-	-	-	(542,341)
Subtotal of Cash Flows During the Period	1,839,273	-	1,839,273	(492)	(1,255,987)	-	(1,255,987)	582,794
Closing Balance of Insurance Contract Assets	(1,474)	1	(1,473)	-	378	14	392	(1,081)
Closing Balance of Insurance Contract Liabilities	3,158,000	236,861	3,394,861	11,613	3,398,263	152,402	3,550,665	6,957,139
Net Balance as of March 31, 2025	$ 3,156,526	$ 236,862	$ 3,393,388	$ 11,613	$ 3,398,641	$ 152,416	$ 3,551,057	$ 6,956,058

2. Component Reconciliation of Insurance Contract Assets and Liabilities

The table below presents a reconciliation of the components of issued insurance contracts not applying the premium allocation approach from opening to closing balances.

January 1 to March 31, 2026

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM)				Total
			Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	
Opening Balance of Insurance Contract Assets	($ 11)	($ 1)	$ -	$ -	$ -	$ -	($ 12)
Opening Balance of Insurance Contract Liabilities	69,637	4,148	7,652	-	5,556	13,208	86,993
Net Balance as of January 1, 2026	69,626	4,147	7,652	-	5,556	13,208	86,981
Changes Relating to Future Service							
Adjustments for Changes in Estimates of the Contractual Service Margin	(32,907)	1,075	7,584	-	9,436	17,020	(14,812)
Losses and Reversals of Losses on Groups of Onerous Contracts	(13,758)	(793)	-	-	-	-	(14,551)
Effect of Contracts Initially Recognized During the Period	(2,230)	383	28	-	1,819	1,847	-
Subtotal of Changes Relating to Future Service	(48,895)	665	7,612	-	11,255	18,867	(29,363)
Changes Relating to Current Service							
Amount of the Contractual Service Margin Recognized in Profit or Loss to Reflect Transfer of Services	-	-	(1,751)	-	(655)	(2,406)	(2,406)
Changes in Risk Adjustment for Non-Financial Risk Not Relating to Future or Past Service	-	(182)	-	-	-	-	(182)
Experience Adjustments	(3,232)	-	-	-	-	-	(3,232)

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM) Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	Total
Subtotal of Changes Relating to Current Service	(3,232)	(182)	(1,751)	-	(655)	(2,406)	(5,820)
Changes Relating to Past Service							
Changes in Fulfilment Cash Flows Relating to Incurred Claims	(3,179)	309	-	-	-	-	(2,870)
Subtotal of Changes Relating to Past Service	(3,179)	309	-	-	-	-	(2,870)
Insurance Finance Income or Expenses							
Insurance Finance Income or Expenses Recognized in Profit or Loss – Interest Rate-Related	(341)	5	25	-	24	49	(287)
Subtotal of Insurance Finance Income or Expenses	(341)	5	25	-	24	49	(287)
Total Amount Recognized in the Statement of Comprehensive Income	(55,647)	797	5,886	-	10,624	16,510	(38,340)
Other Changes	13,992	755	-	-	-	-	14,747
Cash Flows During the Period							
Premiums Received for Issued Insurance Contracts	11,065	-	-	-	-	-	11,065
Claims Paid and Other Insurance Service Expenses Paid for Issued Insurance Contracts	(354)	-	-	-	-	-	(354)
Insurance Acquisition Cash Flows	(1,433)	-	-	-	-	-	(1,433)
Subtotal of Cash Flows During the Period	9,278	-	-	-	-	-	9,278
Closing Balance of Insurance Contract Assets	-	-	-	-	-	-	-
Closing Balance of Insurance Contract Liabilities	37,249	5,699	13,538	-	16,180	29,718	72,666

			Contractual Service Margin (CSM)				
	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	Total
Net Balance as of March 31, 2026	$ 37,249	$ 5,699	$ 13,538	$ -	$ 16,180	$ 29,718	$ 72,666

January 1~March 31, 2025

			Contractual Service Margin (CSM)				
	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	Total
Opening Balance of Insurance Contract Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Opening Balance of Insurance Contract Liabilities	45,366	2,568	9,231	86	1,832	11,149	59,083
Net Balance as of January 1, 2025	45,366	2,568	9,231	86	1,832	11,149	59,083
Changes Relating to Future Service							
Adjustments for Changes in Estimates of the Contractual Service Margin	(510)	234	510	(83)	(151)	276	-
Losses and Reversals of Losses on Groups of Onerous Contracts	20,518	1,277	-	-	-	-	21,795
Effect of Contracts Initially Recognized During the Period	(1,136)	283	64	-	789	853	-

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM)				Total
			Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	
Subtotal of Changes Relating to Future Service	18,872	1,794	574	(83)	638	1,129	21,795
Changes Relating to Current Service							
Amount of the Contractual Service Margin Recognized in Profit or Loss to Reflect Transfer of Services	-	-	(1,899)	-	(88)	(1,987)	(1,987)
Changes in Risk Adjustment for Non-Financial Risk Not Relating to Future or Past Service	-	(358)	-	-	-	-	(358)
Experience Adjustments	(1,702	-	-	-	-	-	(1,702)
Subtotal of Changes Relating to Current Service	(1,702)	(358)	(1,899)	-	(88)	(1,987)	(4,047)
Changes Relating to Past Service							
Changes in Fulfilment Cash Flows Relating to Incurred Claims	(3,618	(141)	-	-	-	-	(3,759)
Subtotal of Changes Relating to Past Service	(3,618)	(141)	-	-	-	-	(3,759)
Insurance Finance Income or Expenses							
Insurance Finance Income or Expenses Recognized in Profit or Loss – Interest Rate-Related	104	4	29	-	9	38	146

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM)				Total
			Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	
Subtotal of Insurance Finance Income or Expenses	104	4	29	-	9	38	146
Total Amount Recognized in the Statement of Comprehensive Income	13,656	1,299	(1,296)	(83)	559	(820)	14,135
Cash Flows During the Period							
Premiums Received for Issued Insurance Contracts	11,042	-	-	-	-	-	11,042
Claims Paid and Other Insurance Service Expenses Paid for Issued Insurance Contracts	(492)	-	-	-	-	-	(492)
Insurance Acquisition Cash Flows	(1,474)	-	-	-	-	-	(1,474)
Subtotal of Cash Flows During the Period	9,076	-	-	-	-	-	9,076
Closing Balance of Insurance Contract Assets	-	-	-	-	-	-	-
Closing Balance of Insurance Contract Liabilities	68,098	3,867	7,935	3	2,391	10,329	82,294
Net Balance as of March 31, 2025	$ 68,098	$ 3,867	$ 7,935	$ 3	$ 2,391	$ 10,329	$ 82,294

3. Effect of Initial Recognition of Insurance Contracts

The table below presents the effect on the statement of financial position of insurance contracts issued that were initially recognized during the period:

January 1 to March 31, 2026

	Insurance Contracts Issued		
	Non-Onerous Contracts	Onerous Contracts	Total
Estimate of the Present Value of Future Cash Outflows			
Insurance Acquisition Cash Flows	($ 932)	($ 22)	($ 954)
Claims and Other Directly Attributable Expenses	(2,376)	-	(2,376)
Subtotal	(3,308)	(22)	(3,330)
Estimate of the Present Value of Future Cash Inflows	5,499	-	5,499
Risk Adjustment for Non-Financial Risk	(369)	-	(369)
Contractual Service Margin (CSM)	(1,822)	-	(1,822)
Effect of Contracts Initially Recognized During the Period	$ -	($ 22)	($ 22)

January 1 to March 31,2026

	Insurance Contracts Issued		
	Non-Onerous Contracts	Onerous Contracts	Total
Estimate of the Present Value of Future Cash Outflows			
Insurance Acquisition Cash Flows	($ 1,390)	($ 29)	($ 1,419)
Claims and Other Directly Attributable Expenses	(5,112)	-	(5,112)
Subtotal	(6,502)	(29)	(6,531)
Estimate of the Present Value of Future Cash Inflows	7,730	-	7,730
Risk Adjustment for Non-Financial Risk	(275)	-	(275)
Contractual Service Margin (CSM)	(953)	-	(953)
Effect of Contracts Initially Recognized During the Period	$ -	($ 29)	($ 29)

22、 Reinsurance Contract Assets/Liabilities

(1) Reinsurance Contracts Held

1. Reconciliation of Reinsurance Contract Assets and Liabilities

The table below presents a reconciliation of the assets for remaining coverage and incurred claims for held reinsurance contracts from opening to closing balances.

January 1 to March 31, 2026

	Asset for Remaining Coverage				Asset for incurred claims under the premium allocation approach (PAA)			
	Excluding Loss-Recovery Component	Loss-Recovery Component	Subtotal	Asset for incurred claims under the General Measurement Model	Present value of estimated future cash flows	Risk Adjustment for Non-financial Risk	Subtotal	Total
Carrying amount of reinsurance contract assets at the opening period	$ 599,194	$ 95,051	$ 694,245	$ 10,531	$1,143,251	$ 35,974	$ 1,179,225	$1,884,001
Opening balance of reinsurance contract liabilities (held)	(11,232)	250	(10,982)	-	1,974	92	2,066	(8,916)
Net balance as of January 1, 2026	587,962	95,301	683,263	10,531	1,145,225	36,066	1,181,291	1,875,085
Premium contribution amount	(536,892)	-	(536,892)	-	-	-	-	(536,892)
Reinsurance recoverables								
Claims Recovered from Reinsurers	-	17	17	1,110	379,994	15,095	395,089	396,216
Other incurred expenses for reinsurance contracts held	-	-	-	(2)	(1,898)	-	(1,898)	(1,900)
Losses and reversal of losses on onerous underlying insurance contract groups	-	(23,854)	(23,854)	-	-	-	-	(23,854)
Adjustments to the liability for incurred claims related to past service	-	-	-	(2,076	(290,19	22,070	(268,125	(270,201
Reinsurance Recoverables Subtotal	-	(23,837)	(23,837)	(968)	87,901	37,165	125,066	100,261
Effect of changes in the reinsurance issuer's non-performance risk.	4	-	4	(5)	(157)	-	(157)	(158)
Income or expenses from reinsurance contracts held	(536,888)	(23,837)	(560,725)	(973)	87,744	37,165	124,909	(436,789)
Finance income or expenses from reinsurance contracts held								
Finance income or expenses from	4,888	(1)	4,887	19	3,745	165	3,910	8,816

	Asset for Remaining Coverage				Asset for incurred claims under the premium allocation approach (PAA)			
	Excluding Loss-Recovery Component	Loss-Recovery Component	Subtotal	Asset for incurred claims under the General Measurement Model	Present value of estimated future cash flows	Risk Adjustment for Non-financial Risk	Subtotal	Total
reinsurance contracts held - related to interest rate								
Subtotal of finance income or expenses from reinsurance contracts held	4,888	(1)	4,887	19	3,745	165	3,910	8,816
Amount recognized in the statement of comprehensive income	(532,000)	(23,838)	(555,838)	(954)	91,489	37,330	128,819	(427,973)
Investment Component	(3,498)	-	(3,498)	-	3,498	-	3,498	-
Cash flows for the period								
Amounts Received (Reimbursements of Claims or Expenses from Reinsurance Contracts Held)	-	-	-	(21)	(255,336)	-	(255,336)	(255,357)
Amounts Paid (Premiums Paid for Reinsurance Contracts Held)	382,773	-	382,773	-	-	-	-	382,773
Subtotal of Cash Flows During the Period	382,773	-	382,773	(21)	(255,336)	-	(255,336)	127,416
Closing Balance of Reinsurance Contract Assets	445,962	70,590	516,552	9,506	983,348	73,240	1,056,588	1,582,646
Closing Balance of Reinsurance Contract Liabilities	(10,725)	873	(9,852)	50	1,528	156	1,684	(8,118)
Net Balance as of March 31, 2026	$435,237	$71,463	$506,700	$9,556	$984,876	$73,396	$1,058,272	$1,574,528

January 1 to March 31, 2025

	Asset for Remaining Coverage			Liability for Incurred Claims under the General Measurement Model (GMM)	Asset for incurred claims under the premium allocation approach			
	Excluding Loss-Recovery Component	Loss-Recovery Component	Subtotal		Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Total
Opening balance of reinsurance contract assets	$ 776,232	$71,727	$ 847,959	$15,366	$1,565,120	$41,913	$1,607,033	$2,470,358
Opening Balance of Reinsurance Contract Liabilities Held	(15,858)	266	(15,592)	-	1,606	72	1,678	(13,914)
Net Balance as of January 1, 2025	760,374	71,993	832,367	15,366	1,566,726	41,985	1,608,711	2,456,444
Allocated Premiums Paid	(490,455)	-	(490,455)	-	-	-	-	(490,455)
Amounts recoverable from reinsurers								
Claims Recovered from Reinsurers	-	-	-	4,460	682,299	10,834	693,133	697,593
Other Incurred Reinsurance-Related Expenses	-	-	-	(7)	(1,898)	-	(1,898)	(1,905)
Loss Recoveries and Reversals of Losses on Underlying Onerous Contracts	-	27,096	27,096	-	-	-	-	27,096
Changes Relating to Past Service – Adjustments to Incurred Claims Assets	-	-	-	(4,792)	(552,244)	(13,862)	(566,106)	(570,898)
Subtotal of Amounts Recoverable from Reinsurers	-	27,096	27,096	(339)	128,157	(3,028)	125,129	151,886
Effect of Changes in the Issuer's	17	-	17	(8)	375	-	375	384

	Asset for Remaining Coverage			Liability for Incurred Claims under the General Measurement Model (GMM)	Asset for incurred claims under the premium allocation approach			
	Excluding Loss-Recovery Component	Loss-Recovery Component	Subtotal		Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Total
Non-Performance Risk of Reinsurance Contracts Held								
Income or Expenses from Reinsurance Contracts Held	(490,438)	27,096	(463,342)	(347)	128,532	(3,028)	125,504	(338,185)
Finance Income or Expenses from Reinsurance Contracts Held								
Finance Income or Expenses from Reinsurance Contracts Held Recognized in Profit or Loss – Interest Rate-Related	4,899	-	4,899	57	5,480	40	5,520	10,476
Subtotal of Finance Income or Expenses from Reinsurance Contracts Held	4,899	-	4,899	57	5,480	40	5,520	10,476
Total Amount Recognized in the Statement of Comprehensive Income	(485,539)	27,096	(458,443	(290)	134,012	(2,988)	131,024	(327,709)
Investment Component	(5,220)	-	(5,220)	-	5,220	-	5,220	-
Cash Flows During								

	Asset for Remaining Coverage			Liability for Incurred Claims under the General Measurement Model (GMM)	Asset for incurred claims under the premium allocation approach			
	Excluding Loss-Recovery Component	Loss-Recovery Component	Subtotal		Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Subtotal	Total
the Period								
Amounts Received (Reimbursements of Claims or Expenses from Reinsurance Contracts Held)	-	-	-	(1,847)	(319,625)	-	(319,625)	(321,472)
Amounts Paid (Premiums Paid for Reinsurance Contracts Held)	412,492	-	412,492	-	-	-	-	412,492
Subtotal of Cash Flows During the Period	412,492	-	412,492	(1,847)	(319,625)	-	(319,625)	91,020
Closing Balance of Reinsurance Contract Assets Held	689,802	98,853	788,655	13,229	1,385,077	38,932	1,424,009	2,225,893
Closing Balance of Reinsurance Contract Liabilities Held	(7,695	236	(7,459)	-	1,256	65	1,321	(6,138)
Net Balance as of March 31, 2025	$ 682,107	$ 99,089	$ 781,196	$ 13,229	$ 1,386,333	$ 38,997	$ 1,425,330	$ 2,219,755

2. Reconciliation of Reinsurance Contract Asset and Liability Components Held

The table below presents a reconciliation of the components of held reinsurance contracts not applying the premium allocation approach from opening to closing balances.

January 1 to March 31, 2026

			Contractual Service Margin (CSM)				
	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	Total
Opening Balance of Reinsurance Contract Assets Held	$ 45,208	$ 1,698	$ 3,404	($ 11,248)	$ 3,591	($ 4,253)	$ 42,653
Opening Balance of Reinsurance Contract Liabilities Held	-	-	-	-	-	-	-
Net Balance as of January 1, 2026	45,208	1,698	3,404	(11,248)	3,591	(4,253)	42,653
Changes Relating to Future Service							
Adjustments for Changes in Estimates of the Contractual Service Margin	(14,137)	(211)	708	13,110	530	14,348	-
Effect of Contracts Initially Recognized During the Period	(500)	81	-	-	419	419	-
Subtotal of Changes Relating to Future Service	(14,637)	(130)	708	13,110	949	14,767	-
Changes Relating to Current Service							
Contractual Service Margin Recognized in Profit or Loss to Reflect Transfer of Services	-	-	(549)	(140)	(900)	(1,589)	(1,589)
Changes in Risk Adjustment for Non-Financial Risk Not Relating to Future or Past Service	-	(151)	-	-	-	-	(151)

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM) Contracts Applying the Modified Retrospective Approach	Contractual Service Margin (CSM) Contracts Applying the Fair Value Approach	Contractual Service Margin (CSM) All Other Contracts	Contractual Service Margin (CSM) Subtotal	Total
Experience Adjustments	(1,728)	-	-	-	-	-	(1,728)
Subtotal of Changes Relating to Current Service	(1,728)	(151)	(549)	(140)	(900)	(1,589)	(3,468)
Changes Relating to Past Service							
Adjustments to Incurred Claims Assets	(2,487)	412	-	-	-	-	(2,075)
Subtotal of Changes Relating to Past Service	(2,487)	412	-	-	-	-	(2,075)
Effect of Changes in the Issuer's Non-Performance Risk of Reinsurance Contracts Held	(2)	-	-	-	-	-	(2)
Income or Expenses from Reinsurance Contracts Held	(18,854)	131	159	12,970	49	13,178	(5,545)
Finance Income or Expenses from Reinsurance Contracts Held							
Finance Income or Expenses from Reinsurance Contracts Held Recognized in Profit or Loss – Interest Rate-Related	(83)	-	11	(41)	14	(16)	(99)
Subtotal of Finance Income or Expenses from Reinsurance Contracts Held	(83)	-	11	(41)	14	(16)	(99)
Total Amount Recognized in the Statement of Comprehensive Income	(18,937)	131	170	12,929	63	13,162	(5,644)
Other Changes	(14,172)	-	-	-	-	-	(14,172)

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM) Contracts Applying the Modified Retrospective Approach	Contractual Service Margin (CSM) Contracts Applying the Fair Value Approach	Contractual Service Margin (CSM) All Other Contracts	Contractual Service Margin (CSM) Subtotal	Total
Cash Flows During the Period							
Amounts Received (Reimbursements of Claims or Expenses from Reinsurance Contracts Held)	(21)	-	-	-	-	-	(21)
Amounts Paid (Premiums Paid for Reinsurance Contracts Held)	683	-	-	-	-	-	683
Subtotal of Cash Flows During the Period	662	-	-	-	-	-	662
Closing Balance of Reinsurance Contract Assets Held	14,422	1,951	3,574	182	3,654	7,410	23,783
Closing Balance of Reinsurance Contract Liabilities Held	(1,661)	(122)	-	1,499	-	1,499	(284)
Net Balance as of March 31, 2026	$ 12,761	$ 1,829	$ 3,574	$ 1,681	$ 3,654	$ 8,909	$ 23,499

January 1 to March 31, 2025

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM) Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	Total
Opening Balance of Reinsurance Contract Assets Held	$ 18,203	$ 948	$ 8,195	$ 7	$ 67	$ 8,269	$ 27,420
Opening Balance of Reinsurance Contract Liabilities Held	(2,863)	(191)	-	57	-	57	(2,997)
Net Balance as of January 1, 2025	15,340	757	8,195	64	67	8,326	24,423
Changes Relating to Future Service							
Adjustments for Changes in Estimates of the Contractual Service Margin	17,224	1,109	(729)	(17,604)	-	(18,333)	-
Effect of Contracts Initially Recognized During the Period	16,216	271	-	-	2,689	2,689	19,176
Subtotal of Changes Relating to Future Service	33,440	1,380	(729)	(17,604)	2,689	(15,644)	19,176
Changes Relating to Current Service							
CSM recognized in profit or loss for services transferred	-	-	(2,653)	1,194	(436)	(1,895)	(1,895)
Changes in RA unrelated to future or past services	-	(55)	-	-	-	-	(55)
Experience adjustments	2,216	-	-	-	-	-	2,216

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM)				Total
			Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	
Subtotal - changes related to current service	2,216	(55)	(2,653)	1,194	(436)	(1,895	266
Changes for past service							
Adjustments for incurred claims assets	(4,689)	(104)	-	-	-	-	(4,793)
Subtotal - changes related to past service	(4,689)	(104)	-	-	-	-	(4,793)
Changes in reinsurer non-performance risk	9	-	-	-	-	-	9
Income or expenses from reinsurance contracts held	30,976	1,221	(3,382)	(16,410)	2,253	(17,539)	14,658
Reinsurance finance income or expenses							
Reinsurance finance income (expenses) in P&L – interest related	90	2	27	-	10	37	129
Subtotal: Reinsurance finance income or expenses	90	2	27	-	10	37	129
Total amount recognized in Other Comprehensive Income	31,066	1,223	(3,355)	(16,410)	2,263	(17,502)	14,787
Cash flows during the period							
Amounts	(1,846)	-	-	-	-	-	(1,846)

	Estimate of the Present Value of Future Cash Flows	Risk Adjustment for Non-Financial Risk	Contractual Service Margin (CSM)				Total
			Contracts Applying the Modified Retrospective Approach	Contracts Applying the Fair Value Approach	All Other Contracts	Subtotal	
received (claims or expenses recovered from reinsurance contracts held)							
Amounts paid (premiums paid for reinsurance contracts held)	13,664	-	-	-	-	-	13,664
Subtotal: Cash flows during the period	11,818	-	-	-	-	-	11,818
Closing balance of reinsurance contracts held assets	58,224	1,980	4,840	(16,346)	2,330	(9,176)	51,028
Closing balance of reinsurance contracts held liabilities	-	-	-	-	-	-	-
Net balance as of March 31, 2025	$ 58,224	$ 1,980	$ 4,840	($ 16,346)	$ 2,330	($ 9,176)	$ 51,028

3. Effect of reinsurance contracts initially recognized

The following table illustrates the effect of reinsurance contracts held initially recognized during the period:

Reinsurance Contracts Held	Jan 1~Mar 31, 2026	Jan 1~Mar 31, 2025
Estimates of present value of future cash outflows	($ 975)	($ 6,999)
Estimates of present value of future cash inflows	475	4,039
Risk adjustment for non-financial risk	81	271
Contractual service margin	419	2,689
Effect of contracts initially recognized during the period	$ -	$ -

23. Equity

	March 31, 2026	December 31, 2025	March 31, 2025
Share capital	$ 3,011,638	$ 3,011,638	$ 3,011,638
Retained earnings	6,091,543	6,626,035	6,720,809
Other equity	309,178	362,728	297,510
	$ 9,412,359	$10,000,401	$10,029,957

(1) Share capital

Ordinary shares

	March 31, 2026	December 31, 2025	March 31, 2025
Authorized shares (in thousands)	301,163.8	301,163.8	301,163.8
Authorized share capital	$ 3,011,638	$ 3,011,638	$ 3,011,638
Issued and fully paid shares (in thousands)	301,163.8	301,163.8	301,163.8
Issued share capital	$ 3,011,638	$ 3,011,638	$ 3,011,638

All issued common shares have a face value of NT$10 per share. Each share is entitled to one voting right and the right to receive dividends.

(2) Retained earnings and dividend policy

In accordance with the Company’s Articles of Incorporation regarding the dividend distribution policy, if the Company has net income in its annual final accounts, it shall first be used to pay taxes and offset any accumulated losses. Thereafter, 20% of the remaining amount shall be set aside as a legal reserve, unless the legal reserve has already reached the Company’s total paid-in capital. The Company shall then set aside or reverse a special reserve as required by the competent authorities and may retain a portion of the earnings if deemed necessary. The remainder shall be distributed as shareholders’ dividends.

For the policy on the distribution of employees' and directors' compensation as stipulated in the Company’s Articles of Incorporation, please refer to Note 25.

(3) Employees' and directors' compensation

In addition to complying with the provisions of the Insurance Act (please refer to Note 29), the Company's dividend distribution takes into account the environment and growth stage of the Company. To meet future capital requirements and long-term financial plans, as well as satisfy shareholders' demand for cash inflows, dividends will be distributed to shareholders, among which cash dividends shall not be less than 10% of the total dividends.

The legal reserve shall be allocated until its balance reaches the total amount of the Company's paid-in capital. The legal reserve may be used to offset losses. When the Company has no losses, if it intends to distribute the legal reserve appropriated pursuant to Article 145-1 of the Insurance Act in cash to shareholders in proportion to their original shareholding percentages pursuant to Article 241 of the Company Act, the Company shall, in accordance with the Letter Jin-Guan-Bao-Cai-Zi No. 10202501991 issued on February 8, 2013, attach relevant documents certifying its financial and operational soundness and apply for approval from the competent authority prior to the shareholders' meeting.

The Company appropriates and reverses special reserves in accordance with the Letter Jin-Guan-Bao-Cai-Zi No. 11004920441 and the regulations of "FAQs on the Application of Appropriating Special Reserves After the Adoption of International Financial Reporting Standards (IFRS Accounting Standards)". When the net deductions of other equity are subsequently reversed, the reversed portion may be used for earnings distribution.

The Board of Directors on March 11, 2026, and the shareholders at their regular meeting on June 25, 2025, proposed and resolved the appropriations of earnings for 2025 and 2024, respectively, as follows:

	Earnings appropriation plan		Dividends per share (NT$)	
	2025	2024	2025	2024
Legal reserve	$ 191,446	$ 206,717		
Special reserve (Note 1)	262,844	194,478		
Special reserve (Note 2)	-	(728)		
Special reserve (Note 3)	2,583	1,944		
Cash dividends	499,932	632,444	$ 1.66	$ 2.1

Note 1: According to "Regulations Governing Reserve Provisioning by Insurance Enterprises," insurance enterprises are required to make new provisions of special claim reserve for major incidents and change of risk and add them to special reserve at the end of each year, starting from January 1, 2011. As a result, this portion of earnings is unavailable for distribution or other purposes. New provisions amounting to NT$262,844 thousand for 2025 and NT$194,478 thousand for 2024 had been made accordingly and accounted for as of December 31, 2025 and 2024, respectively. Net provisions for January 1 to March 31, 2026 and 2025, were estimated at NT$89,754 thousand and NT$79,580 thousand, respectively.

Note 2: Represents net special reserve reversed for FinTech development according to Letter Jin-Guan-Bao-Cai-Zi No. 10502066461 and Letter Jin-Guan-Bao-Cai-Zi No. 10804932431 issued by the authority.

Note 3: According to the Letter Jin-Guan-Bao-Cai-Zi No. 10904939031, as of January 1, 2021, in accordance with the "Personal Travel Insurance Accidental Death and Disability Benefit Standards," 10% of the total premium revenue calculated based on the insured value and number of days of insurance, less the nominal tax rate 20%, shall be stated as the special reserve under the owner's equity, in terms of the personal travel insurance accidental death and disability insurance policies sold in the current year. New provisions totaling NT$2,583 thousand for 2025 and NT$1,944 thousand for 2024 had been accounted for as per regulation as at December 31, 2025 and 2024, respectively.

Appropriation of 2025 earnings is still pending for shareholders' resolution in the annual general meeting scheduled for May 28, 2026.

(3) Special reserve (including the provision of special reserve required for first-time adoption of IFRSs)

The movements of the special reserve for the periods from January 1 to March 31, 2026 and 2025 were as follows:

	Special reserves	Financial technology	Appropriation upon first-time adoption of IFRSs	Travel accident insurance	Total
January 1~March 31, 2026					
Opening Balance	$ 2,988,209	$ -	$ 51,849	$ 5,535	$ 3,045,593
Closing Balance	$ 2,988,209	$ -	$ 51,849	$ 5,535	$ 3,045,593
January 1~March 31, 2025					
Opening Balance	$ 2,725,365	$ 728	$ 51,849	$ 2,952	$ 2,780,894
Closing Balance	$ 2,725,365	$ 728	$ 51,849	$ 2,952	$ 2,780,894

Because the amount of increase in retained earnings after the first-time adoption of IFRSs was relatively low, the Company only provided for special reserve on the NT$51,849 thousand increase in retained earnings that occurred following the adoption of IFRSs.

This special reserve can be reversed proportionally back into retained earnings and distributed to shareholders when the underlying assets are used, disposed or reclassified on a later date. Special reserves provided during the first-time adoption of IFRSs can be used to offset losses in subsequent years. If the Company makes earnings in subsequent years at a time when the initial reason for providing special reserves no longer exists, the Company shall make up for the required amount of special reserve before distributing earnings.

In order to support the development of financial technologies and protect the interests of employees, the Company is required to make provisions totaling 0.5% to 1% of after-tax net income to special reserves when distributing earnings between 2016 and 2018. Starting from 2017, the Company may reverse the above special reserve for amounts incurred on the transfer or reassignment of employees that are related to development of financial technology.

(4) Other equity items

Unrealized gains/losses on financial assets at fair value through other comprehensive income

	January 1 to March 31, 2025	January 1 to March 31, 2024
Opening balance	$ 362,728	$ 232,628
Generated in current period		
Unrealized gains		
Equity instrument	(31,111)	62,647
Debt instrument	(9,699)	2,235
	(40,810)	64,882

Transfer of cumulative gains/losses to retained earnings following disposal of equity instrument	(12,740)	-
Closing balance	$ 309,178	$ 297,510

25. Financial and other operating results

(1) Net investment gains

1. Interest income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Bank deposit	$ 15,278	$ 15,519
Financial Assets at Fair Value through Profit or Loss	6,076	4,072
Debt instruments at fair value through other comprehensive income	1,523	1,523
Financial assets carried at cost after amortization	29,444	22,876
Others	3,367	3,191
	$ 55,688	$ 47,181

2. Gain/loss on investment property

	January 1 to March 31, 2026	January 1 to March 31, 2025
Rental income	$ 18,511	$ 17,148
Direct expenses associated with rental income	(3,638)	(5,063)
	$ 14,873	$ 12,085

(2) Insurance finance income or expenses and finance income or expenses from reinsurance contracts held

The following table analyzes the insurance finance income or expenses recognized in the statement of comprehensive income for the period:

	Jan 1, 2026 to Mar 31, 2026	Jan 1, 2025 to Mar 31, 2025
Insurance finance income or expenses		
Interest income (expense)	($ 27,362)	($ 33,523)
Effect of changes in other financial assumptions	2,691	4,614
	($ 24,671)	($ 28,909)
Insurance finance income or expenses recognized in profit or loss	($ 24,671)	($ 28,909)

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Reinsurance contracts held finance income or expenses		
Interest income (expense)	$ 9,223	$ 10,965
Effect of changes in other financial assumptions	(407)	(489)
	$ 8,816	$ 10,476
Reinsurance contracts held finance income or expenses recognized in profit or loss	$ 8,816	$ 10,476

(3) Other operating results

1. Employee benefit, depreciation, and amortization expenses

	January 1 to March 31, 2026			
	Presented as insurance acquisition cash flows	Presented as other directly attributable expenses	Presented as other operating costs and other operating expenses	Total
Employee benefit expenses				
Salary	$ 215,114	$ 18,922	$ 4,021	$ 238,057
Labor/health insurance	12,519	92	-	12,611
Pension expense	6,295	46	-	6,341
Remuneration to Director	-	-	6,523	6,523
Other employee welfare expenses	2,641	209	789	3,639
	$ 236,569	$ 19,269	$ 11,333	$ 267,171
Depreciation–Property, Plant and Equipment	$ 2,881	$ 1,516	$ -	$ 4,397
Depreciation–Right-of-use asset	405	213	-	618
Depreciation–Investment Property	-	-	1,602	1,602
	$ 3,286	$ 1,729	$ 1,602	$ 6,617
Amortization expense	$ -	$ 2,102	$ -	$ 2,102

	January 1 to March 31, 2025			
	Presented as insurance acquisition cash flows	Presented as other directly attributable expenses	Presented as other operating costs and other operating expenses	Total
Employee benefit expenses				
Salary	$ 217,189	$ 21,016	$ 3,229	$ 241,434
Labor/health insurance	14,657	108	-	14,765
Pension expense	6,359	47	-	6,406
Remuneration to Director	-	-	4,802	4,802

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Other employee welfare expenses	2,736	275	634	3,645
	$ 240,941	$ 21,446	$ 8,665	$ 271,052
Depreciation–Property, Plant and Equipment	$ 3,126	$ 1,645	$ -	$ 4,771
Depreciation–Right-of-use asset	417	219	-	636
Depreciation–Investment Property	-	-	1,565	1,565
	$ 3,543	$ 1,864	$ 1,565	$ 6,972
Amortization expense	$ -	$ 3,732	$ -	$ 3,732

	January 1 to March 31, 2026	January 1 to March 31, 2025
Retirement benefits		
Defined contribution plan	$ 5,922	$ 5,901
Defined benefit plan (Note 20)	419	505
	$ 6,341	$ 6,406

As of March 31, 2026 and 2025, the Company employed a total of 814 and 853 employees, respectively.

2. Employee and director remuneration

According to the Articles of Incorporation, the Company may allocate employee remuneration at no less than 1% and director remuneration at no higher than 0.6% of pre-tax profit before employee and director remuneration. However, earnings must first be taken to offset cumulative losses, if any, before the remainder is distributed as employee and director remuneration in the above percentages. Pursuant to the amendment to the Securities and Exchange Act in August 2024, the Company has approved the amended Articles of Incorporation in the 2025 shareholders' meeting, stipulating that more than 80% of the said employee remuneration amount shall be distributed to non-executive employees.

Employee remuneration and director remuneration estimated for periods January 1 to March 31, 2026 and 2025, are as follows:

Estimated percentage

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employee remuneration	1%	1%
Director remuneration	0.6%	0.6%

Amount

	January 1 to March 31, 2026	January 1 to March 31, 2025
Employee remuneration	$ 4,021	$ 3,229
Director remuneration	$ 2,413	$ 1,937

If the amount changes after the financial statements are approved and announced to the public, the difference will be treated as a change in accounting estimate and recognized as a gain or loss in the following year.

2025 and 2024 employee/director remuneration were resolved in Board of directors meetings dated March 11, 2026 and March 11, 2025, respectively. Details are as follows:

Amount

	2025		2024	
	Cash	Shares	Cash	Shares
Employee remuneration	$ 10,966	$ -	$ 10,972	$ -
Director remuneration	6,580	-	6,583	-

The amounts resolved above were indifferent to the amounts recognized in the 2025 and 2024 financial statements.

Please visit "Market Observation Post System" for more information regarding employee/director remuneration resolved during the Company's board of director meetings.

3. Gain/loss on foreign exchange

	January 1 to March 31, 2026	January 1 to March 31, 2025
Total gain on foreign exchange	$ 126,587	$ 217,574
Total loss on foreign exchange	(119,000)	(211,409)
Net gain (loss)	$ 7,587	$ 6,165
Total gain/loss on foreign exchange		
Gain (loss) on exchange - investment (Note 1)	$ 3,796	$ 5,021
Gain (loss) on exchange - non-investment (Note 2)	3,791	1,144
	$ 7,587	$ 6,165

Note 1: Derived from foreign currency time deposits.

Note 2: Presented under Other operating revenues.

26. Income tax

(1) Income tax recognized in profit and loss

Main components of income tax expense (gain):

	January 1 to March 31, 2026	January 1 to March 31, 2025
Current income tax		
From current profit	$ 85,318	$ 70,373
Deferred income tax		
From current profit	8,485	(6,086)
Income tax expense recognized in profit and loss	$ 93,803	$ 64,287

(2) Assessment of income tax return

The Company's profit-seeking enterprise income tax returns have been certified by the tax authority up until 2023. The certified amounts were indifferent from the amounts reported.

27. Earnings per share

Net income and the number of weighted average common shares used for calculating earnings per share are explained below:

Current net income

	January 1 to March 31, 2026	January 1 to March 31, 2025
Net income used for calculating earnings per share	$ 301,897	$ 287,650

Number of shares

Unit: thousand shares

	January 1 to March 31, 2026	January 1 to March 31, 2025
Weighted average common shares used for calculating basic earnings per share	301,164	301,164
Dilutive effect of potential common shares:		
Employee remuneration	465	395
Weighted average common shares used for calculating diluted earnings per share	301,629	301,559

If the Company has the option to distribute employee remuneration either in cash or in shares, then the calculation of diluted earnings per share shall be made by assuming full share-based payment. In which case, the number of potential common shares is added to the calculation of weighted-average outstanding shares as soon as they become dilutive, and this is the basis used for calculating diluted earnings per share. Dilutive effects of potential common shares will continue to be taken into account when calculating diluted EPS for next year's decision of share-based employee remuneration.

28. Cash flow information

Change of liabilities relating to financing activities

January 1 to March 31, 2026

			Changes without cash effect				
	January 1, 2026	Cash flow	New leases	Lease modification	Amortization of interest expense	Others	March 31, 2026
Lease liabilities	$ 4,021	($ 615)	$ 615	$ -	$ 33	($ 33)	$ 4,021

January 1 to March 31, 2025

			Changes without cash effect				
	January 1, 2025	Cash flow	New leases	Lease modification	Amortization of interest expense	Others	March 31, 2025
Lease liabilities	$ 2,984	($ 637)	$ 441	$ -	$ 25	($ 25)	$ 2,788

29. Capital risk management

Please refer to Note 36(6) for more information on the management of asset and liability risks. According to the Insurance Act, the Company is required to maintain capital at no less than 200% of risk-weighted assets. Failure to maintain the abovementioned ratio will render the Company unable to distribute earnings; in addition, the Company would be required to raise capital within the due dates specified by the competent authority or have business activities and use of capital restricted in certain ways. As of March 31, 2026, the Company had maintained its capital above the percentage stated in the Insurance Act and was not subject to the above treatments.

30. Financial instruments

(1) Fair value information - financial instruments that are not measured at fair value

The management considers that all financial assets and liabilities not measured at fair value have had book values closely resembling their fair values or that their fair values cannot be determined reliably.

(2) Fair value information - financial instruments with fair value measured on a recurring basis

1. Fair value hierarchy

March 31, 2026

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss				
Locally Listed Stocks	$ 320,817	$ -	$ -	$ 320,817
Fund beneficiary certificates	1,525,506	-	-	1,525,506
Securitized beneficiary certificates	133,374	-	-	133,374
Domestic bank debentures	-	-	350,238	350,238
Total	$ 1,979,697	$ -	$ 350,238	$ 2,329,935
Financial assets at fair value through other comprehensive income				
Locally Listed Stocks	$ 1,180,236	$ -	$ -	$ 1,180,236
Domestic unlisted shares	-	-	1,338,688	1,338,688
Domestic Government Bonds	54,162	-	-	54,162
Total	$ 1,234,398	$ -	$ 1,338,688	$ 2,573,086
Guarantee deposits paid				
Domestic Government Bonds	$ 468,894	$ -	$ -	$ 468,894

December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss				
Locally Listed Stocks	$ 323,538	$ -	$ -	$ 323,538
Fund beneficiary certificates	1,222,203	-	-	1,222,203
Real Estate Investment Trust	155,302	-	-	155,302
Domestic bank debentures	-	-	354,338	354,338
Total	$ 1,701,043	$ -	$ 354,338	$ 2,055,381
Financial assets at fair value through other comprehensive income				
Locally Listed Stocks	$ 1,116,358	$ -	$ -	$ 1,116,358
Domestic unlisted shares	-	-	1,414,912	1,414,912
Domestic Government Bonds	55,442	-	-	55,442
Total	$ 1,171,800	$ -	$ 1,414,912	$ 2,586,712

	Level 1	Level 2	Level 3	Total
Guarantee deposits paid				
Domestic Government Bonds	$ 478,193	$ -	$ -	$ 478,193

March 31, 2025

	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value through Profit or Loss				
Locally Listed Stocks	$ 394,311	$ -	$ -	$ 394,311
Fund beneficiary certificates	1,511,012	-	-	1,511,012
Securitized beneficiary certificates	148,213	-	-	148,213
Domestic bank debentures	-	-	147,249	147,249
Total	$ 2,053,536	$ -	$ 147,249	$ 2,200,785
Financial assets at fair value through other comprehensive income				
Locally Listed Stocks	$ 1,686,545	$ -	$ -	$ 1,686,545
Domestic unlisted shares	-	-	1,227,650	1,227,650
Domestic Government Bonds	53,831	-	-	53,831
Total	$ 1,740,376	$ -	$ 1,227,650	$ 2,968,026
Guarantee deposits paid				
Domestic Government Bonds	$ 464,421	$ -	$ -	$ 464,421

Between January 1 and March 31, 2026 and 2025, there was no change of fair value measurement between level 1 and level 2.

2. Reconciliation of level 3 fair value assessment on financial instruments

January 1 to March 31, 2026

	Measured at fair value through profit and loss	Financial assets at fair value through other comprehensive income	
Financial assets	Debt instrument	Equity instrument	Total
Opening balance	$ 354,338	$ 1,414,912	$ 1,769,250
Recognized through profit and loss (gain/loss on financial assets or liabilities at fair value through profit and loss)	(4,100)	-	(4,100)
Recognized through other comprehensive income (gain/loss on valuation of equity instruments at fair value through other comprehensive income)	-	(76,224)	(76,224)
Closing balance	$ 350,238	$ 1,338,688	$ 1,688,926
Unrealized Gains (Losses) at the End of the Period	$ 238	$ 648,882	$ 649,120

January 1 to March 31, 2025

Financial assets	Measured at fair value through profit and loss Debt instrument	Financial assets at fair value through other comprehensive income Equity instrument	Total
Opening balance	$ 149,019	$ 1,162,374	$ 1,311,393
Recognized through profit and loss (gain/loss on financial assets or liabilities at fair value through profit and loss)	(1,770)	-	(1,770)
Recognized through other comprehensive income (gain/loss on valuation of equity instruments at fair value through other comprehensive income)	-	65,276	65,276
Closing balance	$ 147,249	$ 1,227,650	$ 1,374,899
Unrealized Gains (Losses) at the End of the Period	($ 187)	$ 491,779	$ 491,592

3. Level 3 fair value measurement technique and input
   (1) For investments in domestic unlisted shares, fair value is calculated using the market comparable model. The market comparable model compares the subject to companies involved in the same or similar business activities. Factors such as the price of shares transacted in active market, the value multiples implied in pricing, and liquidity discount are used to determine the value of the subject. Liquidity premium/discount is a significant yet unobservable input.
   (2) Bond investment - bank debentures are valued by calculating the present value of expected yields from the investment, which involves discounting of future expected cash flow. Future expected cash flow is a significant yet unobservable input.

(3) Types of financial instrument

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Measured at fair value through profit and loss			
Mandatory at fair value throughout profit and loss	$ 2,329,935	$ 2,055,381	$ 2,200,785
Financial assets carried at cost after amortization (Note 1)	11,351,176	11,113,649	10,094,769

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Financial assets at fair value through other comprehensive income			
Investment in equity instruments	2,518,924	2,531,270	2,914,195
Investment in debt instruments (Note 2)	523,056	533,635	518,252
<u>Financial liabilities</u>			
Carried at cost after amortization (Note 3)	84,345	75,569	116,427

Note 1: The balance includes cash and cash equivalents, receivable, investment in debt instruments carried at cost after amortization, other financial assets, guarantee deposits paid (excluding insurance industry guarantee bond in the form of securities), and financial assets carried at cost after amortization.

Note 2: Balance includes debt instruments at fair value through other comprehensive income and insurance enterprise performance bonds placed in the form of securities (presented as guarantee deposits paid).

Note 3: Balance includes payables (excluding salary, bonus, tax payable, leave encashment payable and pension payable), guarantee deposits received, and financial liabilities carried at cost after amortization.

(4) Purpose and policy of financial risk management

For the purpose of establishing sound risk management practice, internal risk awareness, and robust risk management framework, the Company has implemented relevant principles and policies along with qualitative and quantitative methods to assess, respond and monitor potential risks. The Company's financial instruments mainly comprise equity and debt investments, receivables, payables, and lease liabilities. Key risk exposures include market risk (exchange rate, interest rate, and price), credit, and liquidity risk.

1. Market risk

Market risk refers to changes in market risk factors such as exchange rate, product price, interest rate, share price etc. that may reduce the Company's profitability or portfolio value. The Company continues to adopt Value at Risk (VaR), stress test and market risk management tools to effectively measure, monitor and manage market risks.

There is no change in how the Company manages and assesses market risk exposure of its financial instruments.

(1) Exchange rate risk

The Company holds assets and liabilities denominated in foreign currencies, which presents the Company with risk of exchange rate variation. As of March 31, 2026, December 31, 2025, and March 31, 2025, the Company had about 1.57%, 1.44% and 2.41% of assets that were not denominated in the functional currency of the transaction entity.

The Company had the following financial assets denominated in foreign currencies that were exposed to material exchange rate risk as at the balance sheet date:

Unit: in thousands of foreign currency or NTD

	March 31, 2026		
Financial assets	Foreign currency	Exchange rate	TWD (NTD)
Monetary items			
Bank deposit and notes receivable			
USD	$ 3,603	31.995	$ 115,272
EUR	12	36.710	451
CNY (RMB)	33	4.629	155
GBP	52	42.270	2,184
HKD	452	4.081	1,843
JPY	21	0.201	4
Other financial assets			
USD	6,000	31.995	191,970

	March 31, 2025		
Financial assets	Foreign currency	Exchange rate	TWD (NTD)
Monetary items			
Bank deposit and notes receivable			
USD	$ 6,495	33.205	$ 215,659
EUR	16	35.970	560
CNY (RMB)	31	4.573	144
GBP	66	43.050	2,857
HKD	571	4.268	2,436
JPY	21	0.223	5
Other financial assets			
USD	7,500	33.205	249,038

	December 31, 2025		
	Foreign currency	Exchange rate	TWD (NTD)
Financial assets			
Monetary items			
Bank deposit and notes receivable			
USD	$ 6,276	31.430	$ 197,242
EUR	11	36.900	422
CNY (RMB)	33	4.496	150
GBP	58	42.330	2,450
HKD	475	4.038	1,916
JPY	21	0.201	4
Other financial assets			
USD	2,600	31.430	81,719

Unrealized foreign currency gain/loss of material impact:

	January 1 to March 31, 2026		January 1 to March 31, 2025	
Foreign currency	Exchange rate	Unrealized net gain (loss) on exchange	Exchange rate	Unrealized net gain (loss) on exchange
USD	1:31.995 (USD:NTD)	$ 4,054	1:33.205 (USD:NTD)	$ 3,298

Sensitivity analysis

The Company is prone to the impact of changes in the USD exchange rate.

The following sensitivity analysis shows the impact of a 1% strengthening/weakening in the foreign currency against NTD (the functional currency) to the Company. 1% is the rate of sensitivity adopted by the management when reporting exchange rate risks. It also represents the management's estimate on the reasonable range of exchange rate variation. The sensitivity analysis only covered monetary items denominated in foreign currencies. The analysis was performed by making a 1% adjustment to the exchange rate applicable at the end of the period. The sensitivity analysis covered foreign currency bank deposit, notes receivable, and other financial assets. The following table shows an increase/decrease in pre-tax profit and equity if NTD strengthens against other currencies by 1%. Effects on pre-tax profit and equity following a 1% weakening of the NTD against the respective foreign currencies would be the positive figure of the same amount.

	January 1 to March 31, 2026	January 1 to March 31, 2025
Gain (loss) on USD	($ 3,072)	($ 4,647)

(2) Interest rate risk

The book values of financial assets and financial liabilities exposed to interest rate risks as at the balance sheet date are presented below:

	March 31, 2026	December 31, 2025	March 31, 2025
Risk of cash flow changes due to interest rate			
– Financial assets	$ 1,445,937	$ 1,341,032	$ 1,314,086
Risk of fair value changes due to interest rate			
– Financial assets	873,294	887,973	665,501
– Financial liabilities	4,021	4,021	2,788

Sensitivity analysis

The following sensitivity analysis has been prepared based on interest rate risk exposures of financial assets as at the balance sheet date. The Company had conducted the sensitivity analysis based on 1 basis-point increase/decrease in interest rate, which also represents the management's estimate on the reasonable range of interest rate variation.

A. Risk of cash flow changes due to interest rate

If the interest rate increased/decreased by 1 basis point, the Company's pre-tax profit and equity for the periods January 1 to March 31, 2026 and 2025, would increase/decrease by NT$36 thousand and NT$33 thousand, respectively, provided that all other variables remain unchanged. Exposure to interest rate risk is mainly attributed to bank deposits (demand deposits and foreign currency deposits) held on hand.

B. Risk of fair value changes due to interest rate

The Company investments in fixed rate bonds. Changes in market interest rates would cause changes in the fair value of bond investments.

If the market interest rate increased/decreased by 1 basis point, pre-tax profit for the periods from January 1 to March 31, 2026 and 2025, would decrease/increase by NT$687 thousand and NT$306 thousand, respectively, due to fair value change in bond investments; meanwhile, other comprehensive income (pre-tax) and equity for the periods from January 1 to March 31, 2026 and 2025, would decrease/increase by NT$688 thousand and NT$715 thousand, respectively, due to fair value change in debt instruments carried at fair value through other comprehensive income.

(3) Other price risks

The Company is exposed to the risk of equity price variation due to investment in TWSE/TPEx-listed and unlisted equity securities and fund beneficiary certificates.

Sensitivity analysis

The sensitivity analysis is based on equity price risks of beneficiary securities and fund beneficiary certificates outstanding as at the balance sheet date.

If the price increased/decreased by 1%, pre-tax profit and equity for the periods from January 1 to March 31, 2026 and 2025, would increase/decrease by NT$19,797 thousand and NT$20,535 thousand, respectively, due to changes in the fair value of financial assets carried at fair value through profit or loss. Meanwhile, other comprehensive income (pre-tax) and equity between January 1 and March 31, 2026 and 2025, would increase/decrease by NT$25,189 thousand and NT$29,142 thousand, respectively, due to changes in the fair value of equity instruments carried at fair value through other comprehensive income.

(4) Value at risk (VaR)

VaR measures the maximum possible losses that a portfolio may incur due to a change in market risk factor, within a specified period of time and Confidence Level. The Company currently calculates VaR of the following day (2 months) at a 95% confidence level.

The VaR model must be able to reasonably, completely and correctly assess maximum potential risks of financial instruments or investment portfolios held on hand to be considered a valid risk management model. When used for risk management, the VaR model must continuously undergo validation and back-testing to ensure that the model remains appropriate and effective in assessing the maximum potential risks of financial instruments or investment portfolios held on hand.

(5) Stress-testing

In addition to the VaR model, the Company conducts stress tests regularly to assess potential risks should an extreme event occur. Stress-testing is intended to measure potential impacts on the value of investment portfolio given extreme changes in a series of financial variables.

Date: March 31, 2026 Unit: NTD thousand

Risk factors	Variation	Portfolio gains/losses
Price risk - at fair value through profit and loss	Down 10%	($ 197,970)
Price risk - at fair value through other comprehensive income	Down 10%	(251,892)
Risk of fair value changes due to interest rate	A 100bps increase in the yield curve	(137,501)
Exchange rate risk - other financial assets	1% strengthening of NTD against all foreign currencies	(3,119)

Date: March 31, 2025 | Unit: NTD thousand

Risk factors	Variation	Portfolio gains/losses
Price risk - at fair value through profit and loss	Down 10%	($ 205,354)
Price risk - at fair value through other comprehensive income	Down 10%	(291,420)
Risk of fair value changes due to interest rate	A 100bps increase in the yield curve	(102,176)
Exchange rate risk - other financial assets	1% strengthening of NTD against all foreign currencies	(4,707)

2. Credit risk

The Company is exposed to credit risks for engaging in treasury transactions, including issuer credit risk, counterparty credit risk, and asset credit risk:

(1) Issuer credit risks are mostly prevalent in treasury debt instruments or bank deposits held on hand, and refer to the possibility of the Company suffering financial losses as a result of the issuer (or guarantor) or bank failing to fulfill repayment (or stand-in payment) obligation due to default, bankruptcy or liquidation.

(2) Counterparty credit risks refer to the possibility of the Company suffering financial losses as a result of the transaction counterparty failing to fulfill settlement or payment obligations on the agreed date.

(3) Asset credit risks refer to the possibility of losses suffered as a result of deteriorated credit quality, credit rating downgrade or occurrence of default event in the underlying asset of a financial instrument.

A. Credit risk concentration analysis

The table below shows financial assets with the largest credit risk exposures by region and industry:

Credit risk exposure – by region

Date: March 31, 2026 | Unit: NTD thousand

Financial assets	Taiwan	Asia	America	Europe	Others	Total
Cash	$ 2,155,671	$ -	$ -	$ -	$ -	$ 2,155,671
Financial assets at fair value through profit and loss (securitized beneficiary certificates and debt instruments)	483,612	-	-	-	-	483,612
Financial assets (debt instrument) at fair value through other comprehensive income (Note)	523,056	-	-	-	-	523,056
Financial assets carried at cost after amortization	4,676,450	-	-	-	-	4,676,450
Other financial assets (time deposit)	4,246,460	-	-	-	-	4,246,460
Total	12,085,249	-	-	-	-	12,085,249
Regional weight	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Date: March 31, 2025 Unit: NTD thousand

Financial assets	Taiwan	Asia	America	Europe	Others	Total
Cash	$ 2,132,504	$ -	$ -	$ -	$ -	$ 2,132,504
Financial assets at fair value through profit and loss (securitized beneficiary certificates and debt instruments)	295,462	-	-	-	-	295,462
Financial assets (debt instrument) at fair value through other comprehensive income (Note)	518,252	-	-	-	-	518,252
Financial assets carried at cost after amortization	3,697,610	-	-	-	-	3,697,610
Other financial assets (time deposit)	4,004,528	-	-	-	-	4,004,528
Total	10,648,356	-	-	-	-	10,648,356
Regional weight	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

Note: includes debt instruments placed as guarantee deposit.

B. Credit risk quality grading

Credit risk quality is internally graded into Class I, II and III. Class I refers to financial assets that exhibit no significant increase in credit risk compared to the date of initial recognition; Class II refers to financial assets that exhibit significant increase in credit risk compared to the date of initial recognition; and Class III refers to financial assets that exhibit objective evidence of credit impairment.

Date: March 31, 2026

Financial assets	I	II	III	Total
Financial assets (debt instrument) at fair value through other comprehensive income	$ 523,056	$ -	$ -	$ 523,056
Financial assets carried at cost after amortization	4,676,450	-	-	4,676,450
Total	$ 5,199,506	$ -	$ -	$ 5,199,506

Expected credit loss rates for the abovementioned Class I financial assets are 0.0235% ~ 0.605%.

For information on credit risk management and impairment assessment of receivables, please refer to Note 12(2)~(3).

C. Criteria for significant increase in credit risk since initial recognition

A significant increase in credit risk refers to the situation where the credit rating of a financial asset on the balance sheet date is two grades lower or more than the date of initial recognition, and lower than twBBB. For bonds that are not credit-rated, the issuer's credit rating is used instead.

D. Definition of defaulted and credit-impaired financial assets

The Company assesses financial assets for objective evidence of credit impairment. If there is evidence to suggest impairment, the financial asset will be classified Class III with expected credit losses recognized over the remaining duration.

Objective evidence of credit impairment, as mentioned above, refers to any of the following occurrences:

a. The indicative market price falls below book cost in a continuous downward trend for more than one year, unless there is reason to suggest likely recovery of the indicative market price.
b. The issuer undergoes financial distress and is de-listed or liquidated as a result.
c. Event of default, such as failure to pay interest or principal.
d. The issuer undergoes bankruptcy.

(4) Assessment of expected credit losses

A. Expected credit losses are estimated by multiplying the amount of credit exposure with the probability of default (PD) and loss given default (LGD).

Financial assets that are classified as Class I as at the balance sheet date shall have expected credit losses estimated over the next 12 months.

Financial assets that are classified as Class II as at the balance sheet date shall have expected credit losses estimated over the remaining duration

Financial assets that exhibit objective evidence of credit impairment as at the balance sheet date shall be classified as Class III and have expected credit losses estimated over the remaining duration.

B. Loss provisions variation chart

Reconciliation of opening and closing loss provision balance between January 1 and March 31, 2026:

	12-month expected credit loss I	Expected credit loss over the remaining duration II	Expected credit loss over the remaining duration III	Impairment provided in accordance with IFRS 9 (Subtotal)	Difference with impairments provided in accordance with "Regulation on Asset Valuation, Overdue Collection and Loan Loss Provisioning by Insurance Companies"	Total
Investment in debt instruments						
Opening balance	$ 13,346	$ -	$ -	$ 13,346	$ -	$ 13,346
Variation	1,210	-	-	1,210	-	1,210
Closing balance	$ 14,556	$ -	$ -	$ 14,556	$ -	$ 14,556
Receivables						
Opening balance	$ 3,569	$ -	$ -	$ 3,569	$ 11,267	$ 14,836
Variation	(783)	-	-	(783)	1,218	435
Closing balance	$ 2,786	$ -	$ -	$ 2,786	$ 12,485	$ 15,271

Reconciliation of opening and closing loss provision balance between January 1 and March 31, 2025:

	12-month expected credit loss I	Expected credit loss over the remaining duration II	Expected credit loss over the remaining duration III	Impairment provided in accordance with IFRS 9 (Subtotal)	Difference with impairments provided in accordance with "Regulation on Asset Valuation, Overdue Collection and Loan Loss Provisioning by Insurance Companies"	Total
Investment in debt instruments						
Opening balance	$ 12,876	$ -	$ -	$ 12,876	$ -	$ 12,876
Variation	1	-	-	1	-	1
Closing balance	$ 12,877	$ -	$ -	$ 12,877	$ -	$ 12,877
Receivables						
Opening balance	$ 3,412	$ -	$ -	$ 3,412	$ 5,903	$ 9,315
Variation	(359)	-	-	(359)	1,374	1,015
Closing balance	$ 3,053	$ -	$ -	$ 3,053	$ 7,277	$ 10,330

3. Liquidity risk

(1) Definition of liquidity risk

For each financial instrument, liquidity risk is distinguished between "capital liquidity risk" and "market liquidity risk."

"Capital liquidity risk" refers to the inability to liquidate an asset or obtain sufficient funding to meet obligations upon maturity. "Market liquidity risk" refers to the possibility of incurring losses due to significant price changes when the asset held on hand is being disposed or settled in a market that lacks depth or at a time of disorder.

(2) Liquidity risk management

The Company has implemented a robust capital liquidity risk management system, and adopted market liquidity risk management practices that conform to the volume of market transactions and the positions held on hand. The Company has also devised response plans for extraordinary and emergency liquidity situations where the Company may require additional capital.

(3) The Company maintains adequate position of cash and cash equivalents to support corporate operations and to mitigate effects of cash flow variation.

The following table is a maturity analysis for non-derivative financial liabilities (including notes payable, other payables, and lease liabilities) with the pre-arranged repayment date. The analysis has been prepared based on the earliest date the Company may be required to repay, using undiscounted cash flow.

March 31, 2026

	Repayable upon demand or within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 22,459	$ 17,745	$ 29,590	$ 14,551
Lease liabilities	-	558	1,617	1,988
	$ 22,459	$ 18,303	$ 31,207	$ 16,539

December 31, 2025

	Repayable upon demand or within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 16,542	$ 13,801	$ 28,285	$ 16,941
Lease liabilities	-	621	1,435	2,118
	$ 16,542	$ 14,422	$ 29,720	$ 19,059

March 31, 2025

	Repayable upon demand or within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 56,721	$ 16,718	$ 28,367	$ 14,621
Lease liabilities	-	519	1,228	1,129
	$ 56,721	$ 17,237	$ 29,595	$ 15,750

31. Related party transactions

(1) Name and relationship of related parties

Name of related party	Relationship with the Company
Yi Chih Co., Ltd.	Other related parties
OSTA Trading Co., Ltd.	Other related parties
Zong Cheng Enterprise Co., Ltd.	Other related parties
Du Ho Enterprise Co., Ltd.	Other related parties
Chien Yi Industrial Co., Ltd.	Other related parties
Chien Cheng Development Co., Ltd.	Other related parties
Hua Wang Manufacturer Co., Ltd.	Other related parties
Hai Hwa Construction Co., Ltd.	Other related parties
Yi Fang Co., Ltd.	Other related parties
Tsai Cheng Enterprise Co., Ltd.	Other related parties
Fu Bi Shi Construction Co., Ltd.	Other related parties
Tai Jing Apartment Building Management and Maintenance Co., Ltd.	Other related parties
Taiwan Real Estate Management Co., Ltd.	Other related parties
Taiwan Fuji Die Co., Ltd.	Other related parties
Chien Chi Co., Ltd.	Other related parties
Yongji Enterprise Co., Ltd.	Other related parties
Chimax Development Company	Other related parties
Yuanhu Construction Company	Other related parties
CHIMAX Development Company	Other related parties
Yuanrui Investment Co., Ltd.	Other related parties
Yuan Chen Construction Co., Ltd.	Other related parties
Pao Shan Construction Co., Ltd.	Other related parties

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Teng Hong Co., Ltd.	Other related parties
Jui San Co., Ltd.	Other related parties
Jinshi Construction Co., Ltd.	Other related parties
Jiatai Construction Co., Ltd.	Other related parties
Appier Inc.	Other related parties
Shencetong Fintech Co., Ltd.	Other related parties
Yiguang Enterprise Development Co., Ltd.	Other related parties（The juristic-person director's representative of the Company resigned from the position in June 2025.）
Golden Light Enterprise Co., Ltd.	Other related parties
Nan Kuan Development Co., Ltd.	Other related parties
Ju Sheng Investment Co., Ltd.	Other related parties
Yunju Construction Co., Ltd.	Other related parties
Kai Hsuan Co., Ltd.	Other related parties
Tsai Rui Enterprise Co., Ltd.	Other related parties
Chu Kuan Enterprise Co., Ltd.	Other related parties
Song Ye Asset Management Co., Ltd.	Other related parties
Other related parties	Second degree relatives or closer to the company's director, Chairman, President, Manager, or spouse thereof

(2) Major transactions with related parties

1. Premiums from insurance contracts issued

Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related parties	$ 985	$ 750

The above insurance coverage to other related parties were underwritten with the same terms as non-related parties.

2. Claims incurred (on direct written business)

Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related parties	$ -	$ 2

The above insurance coverage to other related parties were underwritten with the same terms and claim criteria as non-related parties.

3. Rental expense

Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related parties	$ -	$ 6

Rental of conference room from the above related parties were undertaken at terms that were not materially different from ordinary transactions.

4. Selling expenses

Type of related party	January 1 to March 31, 2026	January 1 to March 31, 2025
Other related parties	$ 1,221	$ 1,140

Selling expenses paid to the above related parties were made at terms that were not materially different from ordinary transactions.

(3) Remuneration to the executive management

	January 1 to March 31, 2026	January 1 to March 31, 2025
Short-term employee benefits	$ 18,793	$ 16,453
Retirement benefits	110	133
	$ 18,903	$ 16,586

Compensation to directors and members of the executive management is determined by the Remuneration Committee based on individual performance and market trends.

32. Major contingent liabilities and unrecognized contractual commitments

The Company is a non-life insurance company, and had no major commitment or contingent liability as at the balance sheet date apart from those mentioned in other footnotes and the following.

(1) Major unrecognized contractual commitments

As of March 31, 2026 and 2025, the Company had the following expenses that were contracted but unpaid:

Types of unrecognized contractual commitments	March 31, 2026	March 31, 2024
Project consultancy and system installation fees	$ 15,327	$ 30,613
Expenses other than those for the project consultation and system installation	$ 149	$ 565

(2) Contingencies

As of March 31, 2026, the Company had major lawsuits concerning its insurance business. It is expected that the Company is being claimed for a sum of NT$28,231 thousand, and NT$22,046 thousand of which were covered by reinsurance, while the remaining balance was covered. These cases are currently being reviewed by court.

33. Losses from major disasters: None.

34. Major post-balance sheet events: None.

35. Information on foreign currency-denominated financial assets and liabilities and exchange rate

Please refer to paragraph 1. Market risk in Note 30(4) for foreign currency-denominated financial assets of material impact.

36. Risk management goals, policies, procedures and methods

(1) Risk management policies and goals

The Company has established risk management policies and procedures according to "Risk Management Best Practice Principles for Insurance Enterprises" and "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises" to provide the foundation needed to facilitate proper risk management, business expansion, accomplishment of operational targets, and enhancement of shareholder value. These policies and procedures also provide the basis for other risk management guidelines within the Company.

(2) Risk management framework, organization and responsibilities

1. Risk management framework and organization

   The board of directors outlines the Company's risk management policies based on overall operational strategies and the prevailing business environment. The board is ultimately responsible for overall risk management within the Company. A Risk Management Committee has been assembled under the board of directors while a Risk Management Department has been created outside of business units to enable continuous monitoring of the risk management system. The independent director serves as the convener for the Risk Management Committee. The committee's responsibilities are to supervise risk exposures and to ensure that the Company has adequate capital to meet all risks. The Risk Management Department is responsible for executing the risk management policy, consolidating risk information from all departments, and communicating/coordinating across different departments for the execution of risk policies and limits.

2. The responsibilities of each unit are listed as below:

   <u>Board of Directors</u>

   (1) The board of directors is the highest decision maker of risk management issues, and is ultimately responsible for overall risk management within the Company.
   (2) The board is responsible for the establishment of proper risk management systems and cultures, approval and regular review of risk management policies, and making the most efficient allocation of available resources.
   (3) The board evaluates risks, consequences and effects from the perspective of the entire organization. It also makes decisions in line with legal capital requirements imposed by the competent authority, while taking into consideration various financial and business rules that are relevant to capital allocation.
   (4) The board reviews risk appetite on a yearly basis and makes adjustments as deemed appropriate.
   (5) The Chairman is authorized to approve risk management-related policies within the Company.

   <u>Risk Management Committee</u>

   (1) The committee outlines the Company's risk management policies, framework and organization, and implements quantitative or qualitative standards for the Company's major risk exposures. The committee presents formal reports to the board of directors at least twice a year, and provides the board with relevant updates and recommendation as deemed necessary.
   (2) The committee executes the board's risk management decisions and performs full-scale review of the Company's risk management system, implementation and execution at least once a year.
   (3) The committee assists and supervises various departments in risk management activities.
   (4) The committee assists in the review and establishment of risk limits.
   (5) The committee adjusts risk exposure category, risk limit and risk mitigation methods depending on changes in the environment.

(6) The committee coordinates risk management practices and establishes communication and interaction across different departments.
(7) The committee supervises overall risk management of the Company.

Risk Management Department

(1) The department assists in the development of risk management policy, framework and organization, and executes board-approved risk management policy. The department presents regular reports to the Risk Management Committee and subsequently to the board of directors. Upon discovering any substantial risk exposure that is detrimental to the Company's financial position, business performance, or compliance status, the department is required to take appropriate measures and report to the Risk Management Committee immediately, and report to the board of directors afterwards.
(2) The department assists in setting risk limits based on risk appetite.
(3) The department is responsible for consolidating risk information from all departments, and communicating/coordinating across different departments for the execution of risk policies and limits.
(4) The department prepares monthly risk management reports.
(5) The department monitors breach and use of risk limit by business units at least twice a year.
(6) The department assists in stress testing.
(7) The department performs back testing where necessary.
(8) The department resolves breach of risk limit by other units.
(9) Other risk management-related affairs.

Business units

(1) Identify risk and report risk exposure
(2) Assess extent of impact (quantitative or qualitative) in the occurrence of risk event, and convey risk information in a timely and accurate manner.
(3) Review risk exposure and limits at least twice a year to ensure that risk limits are properly executed within business units.
(4) Monitor risk exposure and report limit breach, including actions taken by the business unit in response to the breach.
(5) Assist in the development of risk model. Ensure that the business unit adopts consistent and rational assumptions and basis for its risk assessment and modeling.
(6) Ensure that internal control procedures are effectively executed by the business unit in a manner that complies with laws and the Company's risk management policy.
(7) Assist in the gathering of operational risk-related data.
(8) The head of each business unit shall supervise the transfer of risk management information to the Risk Management Department, and is responsible for the daily risk management, reporting and response of the assigned unit.
(9) The head of each business unit shall assign risk management personnel to assist them in the effective execution of risk management tasks.

Internal audit

Internal auditors are responsible for auditing business activities of high integrity risk in accordance with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and prevailing regulations. They also assess risk management practices of various business units and the Risk

Management Department, and review the design and execution of internal control system. A formal report containing internal auditors' findings is prepared and presented to the board of directors.

3. Control and disclosure of key risks

The Company has systems and practices in place to manage key risk categories that arise in relation to its business activities, such as market risk, credit risk, liquidity risk, assets and liabilities matching risk, insurance risk and operational risk. These systems and practices are constantly reviewed (including assessment on the effectiveness of risk management system and appropriateness of risk factors) to accommodate the Company's goals, risk exposures and changes in the external environment. The board of directors is reported regularly on the Company's risk management progress, and advised on possible improvements whenever deemed necessary.

4. Control of insurance contract risks

Insurance contract risks can be distinguished into several risk sub-categories by stages of business activity, including product design and pricing risk, underwriting risk, reinsurance risk, disaster risk, claims risk, and reserve-related risk. Definitions of each risk sub-category are as follows:

(1) Insurance risks

Insurance risk refers to the risk of loss caused by unexpected changes after the Company has collected insurance premiums, assumed the transfer of risk from insured parties and become obliged to pay claims and associated expenses.

(2) Product design and pricing risks

Product design and pricing risk refers to the risk of using inappropriate or inconsistent information for product design, terms setting and pricing, or the risk of reference information becoming obsolete due to unexpected change in circumstances.

(3) Underwriting risks

Underwriting risk refers to the risk of unexpected losses and expenses arising from business solicitation and underwriting review.

(4) Reinsurance risks

Reinsurance risk refers to the risk of reinsurers becoming unable to fulfill obligations for undertaking risks beyond capacity without proper reinsurance arrangement, and thereby rendering the Company unable to collect premiums, claims, or expenses from reinsurers.

(5) Disaster risks

Disaster risk refers to the risk of one or multiple insurance categories suffering losses due to occurrence of risk events, to the extent that may negatively affect the Company's credit rating or solvency.

(6) Claims risks

Claims risk refers to the risk of mishandling customers' claim requests.

(7) Reserve-related risks

Reserve-related risk refers to the risk of underestimating liabilities on insurance coverage underwritten by the Company, leaving insufficient reserves to meet future obligations.

The Company has a set of "Insurance Risk Management Guidelines" and systems in place to manage insurance risks. The risk management process includes risk identification, assessment, response, monitoring and reporting.

5. Control of insurance risk exposure and avoidance of risk concentration

The Company has adopted practices in accordance with "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" to manage the risks of retained, ceded, and assumed insurance coverage. Reinsurance plans are devised and executed after taking into consideration the Company's risk tolerance. The retention limits per risk unit for each line of business are disclosed below:

Insurance category	January 1 to March 31, 2026	January 1 to March 31, 2025
Fire Insurance	$ 250,000	$ 250,000
Engineering Insurance	250,000	250,000
Liability Insurance	150,000	150,000
Marine Insurance	75,000	75,000
Marine Hull Insurance	60,000	60,000
Fishing Vessel Insurance	60,000	60,000
Motor Vehicle Damage Insurance	20,000	20,000
Motor Third-Party Liability Insurance (Per Occurrence)	215,600	211,200
Motor Passenger Liability Insurance (Per Occurrence)	686,000	672,000
Injury Insurance	30,000	30,000
Health Insurance	2,000	2,000

6. Asset and Liability Management

The Company's insurance liabilities are of short-term nature, which makes liquidity the primary concern in asset and liability management. The Company has identified three liquidity levels: Normal, Cautious and Critical based on the liquidity ratio, and applied different management practices for each of the above levels. The Company tries to maintain liquidity within the Normal level at all times. Any sign of liquidity deteriorating to the Cautious level (before the Critical level) must be reported with asset positions reviewed immediately, followed by a reassessment of asset allocation if necessary. If liquidity deteriorates to the Critical level, an emergency response meeting must be convened immediately to discuss possible solutions.

37. Disclosure of insurance contract-related information

(I) Gross Retained Earned Premium

As of March 31, 2026, the gross retained earned premiums for the Company’s mandatory insurance and their calculation process are shown as follows:

Insurance category	Direct Written Premiums (1)	Reinsurance Assumed Premiums (2)	Allocation of Reinsurance Premiums paid (3)	Insurance finance income or expenses from insurance contracts issued, excluding any loss component (4)
Mandatory Insurance	$ 175,948	$ 77,902	($ 70,926)	$ 1,240

Insurance category	Insurance finance income or expenses from reinsurance contracts held — excluding any loss-recovery component (5)	Insurance finance income or expenses from reinsurance contracts held — excluding any loss-recovery component (6)	Gross Retained Earned Premium (7)=(1)+(2)+(3)-(4)-(5)-(6)
Mandatory Insurance	$ 633	($ 759)	$ 181,810

2. As of March 31, 2025, the gross retained earned premiums for the Company's mandatory insurance and their calculation process are shown as follows:

Insurance category	Direct Written Premiums (1)	Reinsurance Assumed Premiums (2)	Allocation of Reinsurance Premiums paid (3)	Insurance finance income or expenses from insurance contracts issued, excluding any loss component (4)
Mandatory Insurance	$ 183,628	$ 70,635	($ 71,891)	$ 1,343

Insurance category	Insurance finance income or expenses from reinsurance contracts held — excluding any loss-recovery component (5)	Insurance finance income or expenses from reinsurance contracts held — excluding any loss-recovery component (6)	Gross Retained Earned Premium (7)=(1)+(2)+(3)-(4)-(5)-(6)
Mandatory Insurance	$ 578	($ 856)	$ 181,307

(II) Retained claims

1. As of March 31, 2026, the amount and calculation process of the Company's mandatory insurance retained claims are as follows:

Insurance category	Incurred claims and other insurance service expenses paid for direct written insurance (1)	Incurred claims and other insurance service expenses paid for reinsurance assumed (2)	Amounts recovered from reinsurance held – Claims and expenses recovered (3)
Mandatory Insurance	$ 120,190	$ 62,774	$ 79,109

Insurance category	Opening Balance of Retained Incurred Claims Liability (4)	Closing Balance of Retained Incurred Claims Liability (5)	Retained claims (6)= (1)+(2)-(3)-(4)+(5)
Mandatory Insurance	$ 306,608	$ 287,014	$ 84,261

2. As of March 31, 2025, the amount and calculation process of the Company's mandatory insurance retained claims are as follows:

Insurance category	Incurred claims and other insurance service expenses paid for direct written insurance (1)	Incurred claims and other insurance service expenses paid for reinsurance assumed (2)	Amounts recovered from reinsurance held – Claims and expenses recovered (3)
Mandatory Insurance	$ 118,817	$ 64,093	$ 71,466

Insurance category	Opening Balance of Retained Incurred Claims Liability (4)	Closing Balance of Retained Incurred Claims Liability (5)	Retained claims (6)= (1)+(2)-(3)-(4)+(5)
Mandatory Insurance	$ 303,127	$ 298,652	$ 106,969

(III) Assets, liabilities, revenues and costs of mandatory automobile liabilities insurance

1. Assets and liabilities of mandatory automobile liabilities insurance

Item	Amount			Item	Amount		
Assets	March 31, 2026	December 31, 2025	March 31, 2025	Liabilities	March 31, 2026	December 31, 2025	March 31, 2025
Cash and Cash Equivalents	$ 1,438,016	$ 1,427,040	$ 1,370,234	Insurance Contract Liabilities	$ 919,233	$ 960,418	$ 951,389
Insurance Contract Assets	-	-	-	Reinsurance Contract Liabilities	-	-	-
Reinsurance Contract Assets	357,442	366,328	393,360	Other Liabilities			
Other Receivables	-	-	6,149	Special Claim Reserves	830,836	792,218	794,995
				Receipts in suspense and pending settlement	45,389	40,732	22,432
Financial Assets at Fair Value through Profit or Loss	-	-	-	Others	-	-	927
Financial Assets at Fair Value through Other Comprehensive Income	-	-	-				
	-	-	-				
Financial Assets at Amortized Cost	-	-	-				
Other Assets	-	-	-				
Suspense and Clearing Accounts	-	-	-				
Total Assets	$ 1,795,458	$ 1,793,368	$ 1,769,743	**Total Liabilities**	$ 1,795,458	$ 1,793,368	$ 1,769,743

Note: As of March 31, 2026, December 31, 2025, and March 31, 2025, the amounts recognized under "Cash and Cash Equivalents" in the financial statements were NT$268,016 thousand, NT$257,040 thousand, and NT$300,234 thousand, respectively, while those recognized under "Other Financial Assets" were NT$1,170,000 thousand, NT$1,170,000 thousand, and NT$1,070,000 thousand, respectively.

2. Revenues and costs of mandatory automobile liabilities insurance

Item	January 1 to March 31, 2026	January 1 to March 31, 2025
Insurance Service Result		
Insurance revenue	$ 199,152	$ 197,550
Insurance service expenses	(157,402)	(173,775)
Net income or expenses from reinsurance contracts held	(7,269)	(5,535)
Total insurance service result	$ 34,481	$ 18,240
Financial Result		
Insurance finance income or expenses	($ 3,197)	($ 3,800)
Finance income or expenses from reinsurance contracts held	1,599	1,651
Total financial result	($ 1,598)	($ 2,149)
Other Operating Result		
Other operating costs — interest income	$ 3,367	$ 3,286
Other operating costs — net change in special claim reserves	(38,618)	(21,813)
Total Other Operating Result	($ 35,251)	($ 18,527)

Note: In accordance with Ruling No. 11304922071 issued by the Financial Supervisory Commission (FSC), effective from October 1, 2024, non-life insurance companies are required to allocate NT$15 per insurance contract on a monthly basis from the insurer's operating expenses to this reserve.

(IV) Asset Segregation Requirements for Specific Assets

The Company conducts Compulsory Automobile Liability Insurance (hereinafter referred to as "CALI") business, and handles its related accounting practices in accordance with Article 4 of the "Regulations Governing the Accounting Practices and Reporting of Business and Financial Data for Compulsory Automobile Liability Insurance," enacted pursuant to the authorization under Article 47, Paragraph 3 of the "Compulsory Automobile Liability Insurance Act."

The special reserves allocated for CALI shall be used to purchase treasury bills or deposited as time deposits with financial institutions, in accordance with Article 5 of the "Regulations Governing the Management of Various Reserves for Compulsory Automobile Liability Insurance." However, subject to the approval of the competent authority, the following domestic securities may be purchased:

1. Government bonds (excluding exchangeable bonds).
2. Financial bonds, negotiable certificates of deposit (NCDs), banker's acceptances, and commercial paper guaranteed by financial institutions. Note that financial bonds are restricted to general financial bonds only.

The total amount of treasury bills purchased and time deposits held with financial institutions referred to in the preceding paragraph shall not be less than 30% of the total retained earned pure premiums of CALI, as audited or reviewed by Certified Public Accountants (CPAs) for the most recent period. The competent authority may moderately increase this ratio depending on the operating conditions of the Company.

If the balance of the special reserves is less than 30% of the total retained earned pure premiums of CALI, as audited or reviewed by CPAs for the most recent period, the entire balance shall be used to purchase treasury bills or deposited as time deposits with financial institutions.

Pursuant to Article 6 of the "Regulations Governing the Management of Various Reserves for Compulsory Automobile Liability Insurance," the funds held for conducting CALI business (including various reserves, payables, temporary receipts, and suspense accounts), except for the special reserves which are managed under the aforementioned provisions, shall be deposited with financial institutions as demand deposits and time deposits. However, subject to the approval of the competent authority, the following domestic securities may be purchased:

1. Treasury bills.
2. Negotiable certificates of deposit (NCDs), banker's acceptances, and commercial paper guaranteed by financial institutions.
3. Government bonds under repurchase agreements (Repo).

The amount of demand deposits held with financial institutions referred to in the preceding paragraph shall not be less than 60% of the balance of total funds held for CALI business after deducting the special reserves, and shall not be less than 40% of the self-retained earned pure premiums of CALI as audited or reviewed by CPAs for the most recent period. The competent authority may moderately increase the ratio of demand deposits depending on the operating conditions of the Company.

If the total amount of unearned premium reserves and loss reserves for CALI is less than 40% of the self-retained earned pure premiums of CALI as audited or reviewed by CPAs for the most recent period, all funds held for conducting CALI business shall be deposited with financial institutions as demand deposits.

Pursuant to Article 11 of the "Regulations Governing the Management of Various Reserves for Compulsory Automobile Liability Insurance," when a property and casualty insurance company suspends its operations or ceases to conduct CALI business, the various reserves of CALI shall be transferred to and consolidated into the various reserves managed by the other insurer assuming the business. If no other insurer assumes the business, and the liabilities of CALI are settled with a positive balance remaining in the special reserves, the assets corresponding to such special reserves shall be transferred to the Motor Vehicle Accident Compensation Fund (MVACF).

Where a property and casualty insurance company is ordered to suspend business for rehabilitation or ordered to dissolve in accordance with the law, if no other insurer assumes the CALI business, and the liabilities of CALI are settled with a positive balance remaining in the special reserves, the assets corresponding to such special reserves shall be transferred to the Motor Vehicle Accident Compensation Fund (MVACF).

(V) Special claim reserve

1. Details of special claim reserve:

Nature	Insurance category	March 31, 2026	December 31, 2025	March 31, 2025
Major incident	Commercial earthquake insurance	$ 281,464	$ 67,084	$ 70,043
	Typhoon and flood insurance	188,604	46,978	49,050
		470,068	114,062	119,093

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Change of risk	Mandatory automobile liabilities insurance for private vehicle	290,585	271,231	265,422
	Mandatory automobile liabilities insurance for commercial vehicle	(50,995)	(56,972)	(60,791)
	Mandatory liabilities insurance for motorcycle	592,034	578,508	590,174
	Nuclear risks insurance	74,687	74,687	74,687
	Commercial earthquake insurance	830,208	456,111	456,111
	Typhoon and flood insurance	231,670	116,594	116,594
	Government-sponsored earthquake insurance policy	197,532	197,532	197,532
	Mandatory micro liabilities insurance for electric bikes	788	549	190
		2,164,933	1,637,142	1,639,919
		$ 2,635,001	$ 1,751,204	$ 1,759,012

2. Special Claim Reserve - mandatory automobile/motorcycle liabilities insurance:

Item	January 1 to March 31, 2026	January 1 to March 31, 2025
Opening amount	$ 791,880	$ 750,811
Effects of Retrospective Application of IFRS 17	338	22,371
Opening Balance After Retrospective Application	792,218	773,182
Provisions in the current period	38,875	21,813
Recoveries in the current period	(257)	-
Closing amount	$ 830,836	$ 794,995

3. Special Claim Reserve – voluntary automobile/motorcycle liabilities insurance

Item	January 1 to March 31, 2026					
	Liabilities			Special Surplus Reserve		
	Catastrophic events	Fluctuation of risk	Total	Catastrophic events	Fluctuation of risk	Total
Opening amount	$ 114,062	$ 844,924	$ 958,986	$ 1,057,725	$ 1,930,484	$ 2,988,209
Adjustments to Opening Balance (Note)	359,956	489,173	849,129	-	-	-
Adjusted Opening Balance	474,018	1,334,097	1,808,115	1,057,725	1,930,484	2,988,209
Reversals for the Period	(3,950)	-	(3,950)	-	-	-
Closing amount	$ 470,068	$ 1,334,097	$ 1,804,165	$ 1,057,725	$ 1,930,484	$ 2,988,209

Item	January 1 to March 31, 2025					
	Liabilities			Special reserve		
	Catastrophic events	Fluctuation of risk	Total	Catastrophic events	Fluctuation of risk	Total
Opening amount	$ 120,771	$ 844,924	$ 965,695	$ 964,862	$ 1,760,503	$ 2,725,365
Recoveries in the current period	(1,678)	-	(1,678)	-	-	-
Closing amount	$ 119,093	$ 844,924	$ 964,017	$ 964,862	$ 1,760,503	$ 2,725,365

Note: Pursuant to Jin-Guan-Bao-Cai-Zi Letter No. 11504111394 dated March 31, 2026, titled "Directions for Strengthening Catastrophe Reserves of Property and Casualty Insurance Companies," the favorable impact (before tax) resulting from the initial adoption of IFRS 17 by a property and casualty insurance company (i.e., the increase in retained earnings arising from the initial adoption of IFRS 17 on January 1, 2026) shall be transferred in a certain amount to the special reserves under insurance liabilities for commercial earthquake insurance and typhoon and flood insurance. Had the Company not applied the "Directions for Strengthening Catastrophe Reserves of Property and Casualty Insurance Companies," "Directions for Strengthening Reserves of Members of the Residential Earthquake Insurance Co-insurance Pool," and "Regulations Governing Various Reserves Allocated by Property and Casualty Insurance Companies Conducting Nuclear Insurance," the insurance liabilities—special reserves would have been decreased, and the special retained earnings check/reserve (special reserve) would have been increased by NT$1,443,332 thousand and NT$771,214 thousand as of March 31, 2026 and March 31, 2025, respectively (net of the tax effects of NT$360,833 thousand and NT$192,804 thousand, respectively). In addition, net income after tax for the three months ended March 31, 2026 and 2025 would have been decreased by NT$3,160 thousand and NT$1,342 thousand, respectively, and earnings per share would have been decreased by NT$0.01 and NT$0.01, respectively.

(VI) Contribution Amounts to the Insurance Stabilization Fund

The contribution amounts to the Insurance Stabilization Fund for the Company’s compulsory and non-compulsory automobile and motorcycle liability insurance, calculated based on the applicable contribution rates, are as follows:

	January 1 to March 31, 2026	January 1 to March 31, 2025
Mandatory Insurance	$ 333	$ 345
Voluntary Insurance	3,989	4,016
	$ 4,322	$ 4,361

1. The Company’s statutory gross premiums for compulsory automobile liability insurance amounted to NT$168,347 thousand and NT$173,892 thousand for the periods from January 1 to March 31, 2026 and 2025, respectively.
2. The Company’s statutory gross premiums for compulsory automobile liability insurance amounted to NT$2,216,288 thousand and NT$2,231,186 thousand for the periods from January 1 to March 31, 2026 and 2025, respectively.

(VII) Insurance Risk Information

1. Sensitivity Analysis of Insurance Risk

The Company conducts sensitivity analyses on the primary assumptions that affect loss reserves (claims reserves), such as the average claim cost per accident year, claim settlement expenses, and the number of claims. These analyses assess the impact on the Company’s loss reserves when a single assumption undergoes a reasonable and possible change, holding all other primary assumptions constant. For instance, a unilateral change in the average claim cost would result in a proportional change in the loss reserves. The analysis is presented below:

	Impact on profit or loss		Impact on equity	
Risk factor	Gross amount	Net amount	Gross amount	Net amount
Average claim cost (+5%)	($ 157,598)	($ 123,492)	($ 123,492)	($ 123,492)
Average claim cost (-5%)	157,598	123,492	123,492	123,492

2. Description of Insurance Risk Concentration

The Company establishes retained risk limits based on the risk profiles of different business lines, and utilizes reinsurance arrangements to transfer risks, thereby reducing the impact of insurance risk concentration on the Company.

3. Claims Development Trends

The analysis of incurred claims development trends for the Company's direct business is as follows:

	March 31, 2026					
	Development year					
Accident year	1	2	3	4	5	6
≦2021	$49,988,625	$50,149,378	$50,059,955	$50,033,329	$50,046,825	$50,039,063
2022	3,473,164	3,738,140	3,774,796	3,778,455	3,793,669	
2023	4,250,341	4,259,800	4,196,083	4,184,112		
2024	3,994,860	4,161,308	4,136,379			
2025	3,528,050	3,657,116				
2026	660,704					

Note: The table above excludes compulsory automobile liability insurance, nuclear insurance, and government-regulated earthquake insurance.

(VIII) Credit Risk, Liquidity Risk, and Market Risk of Insurance Contracts

1. Credit Risk of Insurance Contracts

The Company’s credit risk arises primarily from the financial losses incurred when reinsurers fail to fulfill their obligations under reinsurance contracts, and secondarily from insurance contracts where services have been provided but premiums have not yet been collected.

The table below sets forth the maximum exposure to credit risk at the reporting date for insurance contracts issued and reinsurance contracts held:

	March 31, 2026	December 31, 2025	March 31, 2025
Insurance contract liabilities	$ 887,736	$ 413,014	$ 745,634
Reinsurance contract liabilities	$ 207,429	$ 291,357	$ 460,842

The Company conducts ceded reinsurance business. Cases involving unapproved (ineligible) ceded reinsurance under the "Regulations Governing Insurance Enterprises Engaging in Reinsurance Ceding and Assumption and Other Risk Dispersion Mechanisms" are disclosed in the notes to the financial statements as follows:

(1) Reinsurer: STARSTONE INSURANCE LIMITED

Line of Business: Facultative Reinsurance for Accident Insurance

Unit: NTD

Item	January 1 to March 31, 2026	January 1 to March 31, 2025
	Incurred claims component	
	Present value of future cash flows	
Reinsurance contract assets held at the opening period	$ 1,516	$ 4,446
Reinsurance contract liabilities held at the opening period	-	-
Net balance as of January 1, 2026 and 2025	1,516	4,446

Item	January 1 to March 31, 2026	January 1 to March 31, 2025
	Assets for incurred claims under the premium allocation approach	
	Present value of future cash flows	
Allocation of reinsurance premiums paid	$	$
Amounts recoverable from reinsurers		
Recoveries of incurred claims and other insurance service expenses	(4)	867
Subtotal of amounts recoverable from reinsurers	(4)	867
Effect of changes in the risk of non-performance by issuers of reinsurance contracts held	-	(10)
Income or expenses from reinsurance contracts held	(4)	857
Reinsurance finance income or expenses		
Reinsurance finance income or expenses recognized in profit or loss - interest rate related	3	19
Subtotal of reinsurance finance income or expense	3	19
Total amount recognized in the statement of comprehensive income	(1)	876
Subtotal of cash flows during the period		
Amounts received (claims or expenses recovered from reinsurance contracts held)	-	(4,438)
Subtotal of cash flows during the period	-	(4,438)
Reinsurance contract assets held at the closing period	1,515	884
Reinsurance contract liabilities held at the closing period	-	-
Net balance as of March 31, 2026 and 2025	$ 1,515	$ 884

(2) Reinsurer: TUGU INSURANCE COMPANY LIMITED

Line of Business: Facultative Reinsurance for Hull Insurance

Unit: NTD

Item	January 1 to March 31, 2025		
	Assets for incurred claims under the premium allocation approach		
	Present value of future cash flows	Risk adjustment for non-financial risk	Total
Reinsurance contract assets held at the opening period	$ 1,479	$ 75	$ 1,554
Reinsurance contract liabilities held at the opening period	-	-	-
Net balance as of January 1, 2025	1,479	75	1,554
Allocation of reinsurance premiums paid			
Amounts recoverable from reinsurers			
Recoveries of incurred claims and other insurance service expenses	(5)	-	(5)
Subtotal of amounts recoverable from reinsurers	(5)	-	(5)

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Income or expenses from reinsurance contracts held	(5)	-	(5)
Reinsurance finance income or expenses			
Reinsurance finance income or expenses recognized in profit or loss - interest rate related	(13)	-	(13)
Subtotal of reinsurance finance income or expenses	(13)	-	(13)
Total amount recognized in the statement of comprehensive income	(18)	-	(18)
Reinsurance contract assets held at the closing period	1,461	75	1,536
Reinsurance contract liabilities held at the closing period	-	-	-
Net balance as of March 31, 2025	$ 1,461	$ 75	$ 1,536

As of March 31, 2026, the Company had no reinsurance ceded to TUGU INSURANCE COMPANY LIMITED that was classified as unauthorized reinsurance.

2. Liquidity Risk of Insurance Contracts

Liquidity risk of the Company’s insurance and reinsurance contracts refers to the risk that the Company is unable to pay cash or other financial assets at the timing specified in the contract terms. The table below presents the liquidity risk exposure amounts based on the earliest expected timing of required payments under the insurance and reinsurance contracts.

The table below sets forth the maturity analysis for groups of insurance contracts that are liabilities and reinsurance contracts held. This analysis is prepared based on the estimates of the present value of future cash flows, excluding amounts related to the liability for remaining coverage (LRC) of insurance contracts and reinsurance contracts held to which the premium allocation approach (PAA) is applied.

	Subsequent years after the reporting date						
March 31, 2026	Within 1 year	1-2 years	2-3 years	3-4 years	5-6 years	Over 5 years	Total
Insurance contract liabilities	$2,180,438	$1,182,691	$ 204,384	$ 81,017	$ 23,360	$ 15,465	$3,687,355
Reinsurance contract liabilities	334	-	-	-	-	-	334

	Subsequent years after the balance sheet date						
December 31, 2025	Within 1 year	1-2 years	2-3 years	3-4 years	5-6 years	Over 5 years	Total
Insurance contract liabilities	$2,151,387	$1,162,411	$ 201,094	$ 79,736	$ 23,031	$ 15,299	$3,632,958
Reinsurance contract liabilities	-	-	-	-	-	-	-

	Subsequent years after the balance sheet date						
March 31, 2025	Within 1 year	1-2 years	2-3 years	3-4 years	5-6 years	Over 5 years	Total
Insurance contract liabilities	$2,267,541	$1,224,278	$ 211,684	$ 83,923	$ 24,219	$ 16,061	$3,827,706
Reinsurance contract liabilities	-	-	-	-	-	-	-

3. Market Risk of Insurance Contracts

The primary market risk variable for the Company's insurance contracts is the interest rate. When market interest rates rise (fall), the fair values of the Company's insurance contract assets and liabilities, as well as reinsurance contract assets and liabilities, will decrease (increase), moving in the same direction as the changes in the financial assets held by the Company.

Therefore, the impact of interest rate fluctuations on insurance contract liabilities and reinsurance contract liabilities will be partially offset by the corresponding changes in the insurance contract assets, reinsurance contract assets, and financial assets held by the Company.

38. Other disclosures

(1) Major transactions:

1. Core business transactions conducted with related parties that amount to more than NT$100 million or 20% of paid-up capital: None.
2. Related party receivables amounting to more than NT$100 million or 20% of paid-up capital: None.
3. Others: None.

(2) Information on invested businesses: None.

(3) Information relating to investments and business activities in the Mainland China: None.

39. Segment information

Non-life insurance was the Company's primary and only major business segment for periods from January 1 to March 31, 2026 and 2025. Therefore, segment-by-segment disclosure of financial information is not required.