

The First Insurance Co., Ltd.
Financial Statements and Independent Auditor's
Report
2024 and 2023

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Independent Auditor's Report

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

Audit opinion

We have audited the balance sheet of The First Insurance Co., Ltd. as of December 31, 2024 and 2023, the statement of comprehensive income, statement of changes in equity, and cash flow statement for the periods January 1 to December 31, 2024 and 2023, and the accompanying footnotes (including a summary of major accounting policies).

In our opinion, all material disclosures of the financial statements mentioned above were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretation, or SIC Interpretation endorsed by the Financial Supervisory Commission, and presented a fair view of the financial position of The First Insurance Co., Ltd. as of December 31, 2024 and 2023, and business performance and cash flow for periods January 1 to December 31, 2024 and 2023.

Basis of audit opinion

We have conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and applicable auditing standards. Our responsibilities as an auditor under the abovementioned standards will be explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed CPA code of ethics and maintained independence from The First Insurance Co., Ltd. when performing their duties. We believe that the evidence obtained provide an adequate and appropriate basis for our opinion.

Key audit issues

Key audit issues are matters that we considered to be the most important, based on professional judgment when auditing the 2024 financial statements of The First Insurance Co., Ltd. These issues have already been addressed when we audited and formed our opinions on the financial statements. Therefore we do not provide opinions separately for individual issues.

Key audit issues concerning the 2024 financial statements of The First Insurance Co., Ltd. are as follows:

Estimation of not reported (NR) and not settled (NS) reserves

The First Insurance Co., Ltd. has an actuarial team that estimates NR/NS reserves based on previous claims and expenses incurred by the various types of insurance, using methods that conform with actuarial principles. The book value of claim reserves (presented as insurance liability) as of December 31, 2024 amounted to NT\$3,791,510 thousand, of which NT\$756,242 thousand were insurance incurred by not reported (IBNR). Because the amount was presented based on the actuarial estimate, any change of assumption or any misjudgment may cause significant changes to profit and loss, and therefore has been listed as a key audit issue for the current year.

For more details on the accounting policy and methodology adopted for claim reserve provisioning, please refer to Note 4(12) and Note 5 of the financial statements. For details on amounts and changes, please refer to Note 37(3) of the financial statements.

We have performed tests to gain insight about the design and execution of various procedures and controls the Company had adopted to estimate IBNR reserves. In addition, we obtained data on direct claims paid by the First Insurance Co., Ltd., for various insurance categories and retained materials related to actual losses to verify the integrity of data used in the actuarial estimate. Our actuarial experts assisted us in evaluating whether the methodologies and assumptions undertaken to provide for IBNR reserves were compliant with laws and establishing proprietary models for validating the rationality of the IBNR reserves provided by the Company.

Responsibilities of the management and governing body to the financial statements

Responsibilities of the management were to prepare and ensure fair presentation of financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, international financial reporting standards approved and published by the Financial Supervisory Commission, the International Accounting Standards and interpretations thereof, and exercise proper internal control practices that are relevant to the preparation of financial statements so that the financial statements are free of material misstatements caused by fraud or error.

The management's responsibilities when preparing financial statements also involved: assessing the ability of The First Insurance Co., Ltd. to operate, disclose information and account for transactions as a going concern unless the management intends to liquidate or cease business operations, or is compelled to do so with no alternative solution.

The governing body of The First Insurance Co., Ltd. (including the Audit Committee) is responsible for supervising the financial reporting process.

Responsibilities of the auditor when auditing financial statements

The purposes of our audit were to obtain reasonable assurance of whether the financial statements were prone to material misstatements caused by fraud or error, and issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with applicable auditing principles do not necessarily guarantee detection of all material misstatements within the financial statements. Misstatements can be attributed to fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the financial statement user.

When conducting audits in accordance with applicable auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risks of material misstatement due to fraud or error; designing and executing appropriate responsive measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration or breach of internal control, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Developing the required level of understanding on relevant internal controls and designing audit procedures that are appropriate under the prevailing circumstances, but without providing an opinion on the effectiveness of the internal control system of The First Insurance Co., Ltd.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures made.
4. Forming conclusions regarding the appropriateness of management's decision to account for the business as a going concern, and whether there are doubts or uncertainties about the ability of The First Insurance Co., Ltd. to operate as a going concern, based on the audit evidence obtained. We are bound to remind financial statement users and make related disclosures if material uncertainties exist regarding the above-mentioned events or

circumstances and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based upon audit evidence obtained as of the audit report date. However, occurrences of future events or circumstances may still render The First Insurance Co., Ltd. no longer capable of operating as a going concern.

5. Assessing the overall presentation, structure and contents of the financial statements (including related footnotes), and whether certain transactions and events are presented appropriately in the financial statements.

We have communicated with the governing body about the scope, timing and significant findings (including significant defects identified in the internal control) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with auditors' professional ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including protection measures).

After communicating with the governance body regarding the 2024 financial statements of The First Insurance Co., Ltd, we have identified the key audit issues. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decided not to communicate in the audit report because of higher negative impacts they may cause than the benefits they bring to the public interest.

Deloitte Taiwan
CPA: Hai-Yueh Huang

CPA: Sheng-Tai Liang

Approval reference of the Securities and
Futures Bureau
Tai-Cai-Zheng-VI-Zi No. 0920131587

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

March 11, 2025

The First Insurance Co., Ltd.
Balance Sheet
As at December 31, 2024 and 2023

Unit: NTD thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
11000	Cash and cash equivalents (Notes 4 and 6)	\$ 2,293,568	12	\$ 1,387,004	7
	Receivables				
12100	Notes receivable (Notes 4, 12 and 37)	121,666	1	170,953	1
12200	Premiums receivable (Notes 4, 12, 31 and 37)	115,494	-	30,255	-
12500	Other receivables (Notes 4 and 12)	75,342	-	61,614	-
12000	Total receivables	312,502	1	262,822	1
	Investment				
14110	Financial assets at fair value through profit and loss (Notes 4 and 7)	1,615,992	8	1,995,758	11
14145	Financial assets carried at cost after amortization (Notes 4, 9 and 10)	3,697,479	19	2,949,242	15
14180	Other financial assets (Notes 4, 6 and 11)	4,185,665	21	4,870,299	25
14190	Financial assets at fair value through other comprehensive income (Notes 4, 8 and 10)	2,777,227	14	2,657,809	14
14200	Investment properties (Notes 4 and 13)	898,683	5	903,698	5
14000	Total investment	13,175,046	67	13,376,806	70
	Reinsurance Contracts Assets				
15100	Claims recoverable from reinsurers (Notes 4, 12, 14 and 37)	139,216	1	171,918	1
15200	Reinsurance accounts receivable (Notes 4, 12, 14 and 37)	511,537	3	245,340	1
15300	Reinsurance reserve assets (Notes 4, 14 and 37)	2,072,880	10	2,560,148	14
15000	Total reinsurance contract assets	2,723,633	14	2,977,406	16
16000	Property, plant, and equipment (Notes 4 and 15)	612,125	3	624,836	3
16700	Right-of-use asset (Notes 4 and 16)	2,946	-	3,711	-
17300	Intangible assets (Notes 4 and 17)	21,141	-	33,314	-
17800	Deferred income tax assets (Notes 4 and 26)	13,285	-	22,520	-
	Other assets				
18160	Net defined benefit assets (Note 4 and 22)	11,875	-	-	-
18300	Guarantee deposits paid (Notes 8 and 18)	520,373	3	542,240	3
18700	Other assets - Others (Note 19)	20,111	-	18,120	-
18000	Total other assets	552,359	3	560,360	3
1XXXX	TOTAL ASSETS	\$ 19,706,605	100	\$ 19,248,779	100
Code	Liabilities and equity				
	Payables				
21100	Notes payable	\$ 10,811	-	\$ 37,908	-
21400	Commission payable (Note 37)	115,006	1	96,303	-
21500	Reinsurance accounts payable (Notes 4 and 37)	283,700	1	313,059	2
21600	Other payables (Note 20)	280,935	1	207,412	1
21000	Total payables	690,452	3	654,682	3
21700	Current income tax liabilities (Notes 4 and 26)	87,818	-	72,224	-
23800	Lease liabilities (Notes 4 and 16)	2,984	-	3,770	-
	Insurance liabilities (Notes 4, 5, 21 and 37)				
24100	Unearned premium reserve	4,498,217	23	4,424,737	23
24200	Claim reserve	3,791,510	19	3,889,884	20
24400	Special claim reserve	1,716,506	9	1,860,436	10
24500	Deficiency reserve	9,831	-	-	-
24000	Total insurance liabilities	10,016,064	51	10,175,057	53
27100	Provision for employee benefits (Notes 4 and 22)	-	-	33,807	-
28000	Deferred income tax liabilities (Notes 4 and 26)	99,591	1	92,934	1
	Other liabilities				
25300	Guarantee deposits received	16,232	-	15,184	-
25900	Other liabilities - Others (Note 23)	97,078	1	73,490	1
25000	Total other liabilities	113,310	1	88,674	1
2XXXX	Total liabilities	11,010,219	56	11,121,148	58
31000	Share capital (Note 24)	3,011,638	15	3,011,638	15
	Retained earnings (Note 24)				
33100	Legal reserve	1,831,347	10	1,689,198	9
33200	Special reserve	2,780,894	14	2,585,494	13
33300	Undistributed earnings	839,879	4	484,160	3
33000	Total retained earnings	5,452,120	28	4,758,852	25
34000	Other equity items (Note 24)	232,628	1	357,141	2
3XXXX	Total equity	8,696,386	44	8,127,631	42
	Total liabilities and equity	\$ 19,706,605	100	\$ 19,248,779	100

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 Comprehensive Income
For periods from January 1 to December 31, 2024 and 2023

Unit: NTD thousand, except EPS which is in dollars

Code		2024		2023		Variation percentage (%)
		Amount	%	Amount	%	
	Operating revenues (Note 4)					
41110	Written premiums (Notes 31 and 37)	\$ 8,941,329	115	\$ 8,635,262	117	4
41120	Reinsurance Premium	<u>437,849</u>	<u>5</u>	<u>424,951</u>	<u>6</u>	3
41100	Premium revenues	9,379,178	120	9,060,213	123	4
51100	Less: reinsurance premiums expense	(2,249,367)	(29)	(2,194,819)	(30)	2
51310	Less: Net change in unearned premium reserve	(<u>123,742</u>)	(<u>1</u>)	(<u>214,921</u>)	(<u>3</u>)	(42)
41130	Retained Earned Premium	<u>7,006,069</u>	<u>90</u>	<u>6,650,473</u>	<u>90</u>	5
41300	Reinsurance commissions received (Note 37)	<u>279,325</u>	<u>4</u>	<u>331,565</u>	<u>5</u>	(16)
41400	Service fee	<u>27,270</u>	<u>-</u>	<u>27,391</u>	<u>-</u>	-
	Net investment gains					
41510	Interest income (Note 25)	188,923	3	158,584	2	19
41521	Gain/loss on financial assets or liabilities at fair value through profit and loss	108,484	1	(2,426)	-	4,572
41527	Realized gains/losses on financial assets at fair value through other comprehensive income (Note 8(1))	90,341	1	165,535	2	(45)
41550	Gain (loss) on exchange - investment (Note 25)	18,825	-	1,045	-	1,701
41570	Gains (losses) on investment property (Note 25)	58,122	1	55,284	1	5
41585	Expected credit impairment loss (reversal gain) on investment	<u>7,775</u>	<u>-</u>	<u>1,757</u>	<u>-</u>	343
41500	Total net investment gains	<u>472,470</u>	<u>6</u>	<u>379,779</u>	<u>5</u>	24
	Other operating revenues					
41830	Gain on exchange - non-investment (Note 25)	11,324	-	4,918	-	130
41890	Other operating revenues - Others	<u>2,593</u>	<u>-</u>	<u>477</u>	<u>-</u>	444
41800	Total other operating income	<u>13,917</u>	<u>-</u>	<u>5,395</u>	<u>-</u>	158
41000	Total operating revenues	<u>7,799,051</u>	<u>100</u>	<u>7,394,603</u>	<u>100</u>	5
	Operating Cost					
	Retained claims and benefits (Notes 31 and 37)					
51200	Insurance claim and benefit payments	4,930,084	63	4,682,310	64	5
41200	Less: Claims recovered from reinsurers and benefits	(<u>1,366,849</u>)	(<u>17</u>)	(<u>1,164,374</u>)	(<u>16</u>)	17
51260	Total retained claims and benefits paid	<u>3,563,235</u>	<u>46</u>	<u>3,517,936</u>	<u>48</u>	1

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Code		2024		2023		Variation percentage (%)
		Amount	%	Amount	%	
	Net change in other liabilities (Note 37)					
51320	Net change in claim reserves	\$ 338,632	5	\$ 212,243	3	60
51340	Net change in special claim reserves	(143,930)	(2)	33,573	-	(529)
51350	Net change in premium deficiency reserves	<u>9,831</u>	-	(<u>1,017</u>)	-	1,067
51300	Total net change in other liabilities	<u>204,533</u>	<u>3</u>	<u>244,799</u>	<u>3</u>	(16)
51510	Commission expenses (Note 37)	<u>1,202,700</u>	<u>15</u>	<u>1,190,420</u>	<u>16</u>	1
51600	Service charges (Note 37)	<u>122,843</u>	<u>1</u>	<u>134,931</u>	<u>2</u>	(9)
	Other operating costs					
51810	Contribution to insurance stabilization fund (Note 37)	17,137	-	17,295	-	(1)
51830	Interest expenses	<u>196</u>	-	<u>113</u>	-	73
51800	Total other operating costs	<u>17,333</u>	-	<u>17,408</u>	-	-
51000	Total operating costs	<u>5,110,644</u>	<u>65</u>	<u>5,105,494</u>	<u>69</u>	-
60000	Gross profit	<u>2,688,407</u>	<u>35</u>	<u>2,289,109</u>	<u>31</u>	17
	Operating expenses (Notes 25 and 31)					
58100	Selling expenses	1,466,442	19	1,419,149	19	3
58200	Administrative expenses	134,977	2	112,032	2	20
58300	Staff training expenses	2,557	-	2,817	-	(9)
58400	Expected credit impairment loss on non-investments (Notes 12 and 30)	<u>3,933</u>	-	-	-	-
58000	Total operating expenses	<u>1,607,909</u>	<u>21</u>	<u>1,533,998</u>	<u>21</u>	5
61000	Operating profit	<u>1,080,498</u>	<u>14</u>	<u>755,111</u>	<u>10</u>	43
	Non-operating income and expenses					
59400	Asset retirement loss	(889)	-	(608)	-	46
59500	Recovery of bad and overdue debts	16	-	88	-	(82)
59920	Sundry income	96	-	64	-	50
59990	Other non-operating expenses (Note 16)	(<u>96</u>)	-	(<u>187</u>)	-	(49)
59000	Total other non-operating income and expenses	(<u>873</u>)	-	(<u>643</u>)	-	36
62000	Operating income before tax	1,079,625	14	754,468	10	43
63000	Income tax expenses (Notes 4 and 26)	<u>176,328</u>	<u>2</u>	<u>118,227</u>	<u>1</u>	49
66000	Current net income	<u>903,297</u>	<u>12</u>	<u>636,241</u>	<u>9</u>	42

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Code		2024		2023		Variation percentage (%)
		Amount	%	Amount	%	
	Other comprehensive income (Note 24)					
83100	Items not reclassified into profit and loss					
83110	Remeasurement of defined benefit plan (Notes 4 and 22)	\$ 39,675	-	\$ 3,223	-	1,131
83180	Income tax on items not reclassified into profit and loss (Note 26)	(7,935)	-	(645)	-	1,130
83190	Gains/losses on valuation of equity instruments at fair value through other comprehensive income	<u>1,050</u>	<u>-</u>	<u>134,010</u>	<u>2</u>	(99)
	Total items not reclassified into profit and loss	<u>32,790</u>	<u>-</u>	<u>136,588</u>	<u>2</u>	(76)
83200	Items likely to be reclassified into profit and loss					
83290	Gains/losses on debt instruments at fair value through other comprehensive income	(<u>27,017</u>)	<u>-</u>	<u>9,106</u>	<u>-</u>	(397)
83000	Other comprehensive income - current (net, after tax)	<u>5,773</u>	<u>-</u>	<u>145,694</u>	<u>2</u>	(96)
85000	Total comprehensive income - current	<u>\$ 909,070</u>	<u>12</u>	<u>\$ 781,935</u>	<u>11</u>	16
	Earnings per share (Note 27)					
97500	Basic	<u>\$ 3.00</u>		<u>\$ 2.11</u>		
98500	Diluted	<u>\$ 3.00</u>		<u>\$ 2.11</u>		

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 December 31, 2024 and 2023

Unit: NTD thousand

Code		Retained Earnings				Other Equity	Total equity
		Share capital	Legal reserve	Special reserve	Undistributed earnings	Unrealized gains/losses on financial assets at fair value through other comprehensive income	
A1	Balance as of January 1, 2023	\$ 3,011,638	\$ 1,580,672	\$ 2,359,679	\$ 324,592	\$ 285,953	\$ 7,562,534
	Appropriation and distribution of earnings:						
B1	Legal reserve	-	108,526	-	(108,526)	-	-
B3	Special reserve	-	-	225,815	(225,815)	-	-
B5	Cash dividend	-	-	-	(216,838)	-	(216,838)
D1	2023 net income	-	-	-	636,241	-	636,241
D3	2023 other comprehensive income	-	-	-	2,578	143,116	145,694
D5	2023 total comprehensive income	-	-	-	638,819	143,116	781,935
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	71,928	(71,928)	-
Z1	Balance as of December 31, 2023	3,011,638	1,689,198	2,585,494	484,160	357,141	8,127,631
	Appropriation and distribution of earnings:						
B1	Legal reserve	-	142,149	-	(142,149)	-	-
B3	Special reserve	-	-	195,400	(195,400)	-	-
B5	Cash dividend	-	-	-	(340,315)	-	(340,315)
D1	2024 net income	-	-	-	903,297	-	903,297
D3	2024 other comprehensive income	-	-	-	31,740	(25,967)	5,773
D5	2024 total comprehensive income	-	-	-	935,037	(25,967)	909,070
Q1	Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	98,546	(98,546)	-
Z1	Balance as of December 31, 2024	<u>\$ 3,011,638</u>	<u>\$ 1,831,347</u>	<u>\$ 2,780,894</u>	<u>\$ 839,879</u>	<u>\$ 232,628</u>	<u>\$ 8,696,386</u>

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.
Cash Flow Statement
For periods from January 1 to December 31, 2024 and 2023

Unit: NTD thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Pre-tax profit for the current period	\$ 1,079,625	\$ 754,468
A20010	Income, expenses and losses		
A20100	Depreciation	29,729	33,791
A20200	Amortization	14,472	16,357
A20900	Interest expenses	293	277
A21200	Interest income	(188,923)	(158,584)
A21300	Dividend income	(108,436)	(192,756)
A21400	Net change of various reserves - current	(158,993)	1,003,547
A21830	Expected credit impairment loss (reversal gain) on investment	(7,775)	(1,757)
A21850	Expected credit impairment loss on non-investments	3,933	-
A22500	Loss on asset disposal	889	608
A22900	Gain on lease modification	(24)	(62)
A24100	Unrealized (gain) loss on foreign exchange	(33,285)	1,721
A50000	Change in assets/liabilities related to operating activities		
A51110	Notes receivable	49,287	7,317
A51120	Premiums receivable	(89,172)	(9,801)
A51130	Other receivables	(4,376)	98
A51140	Financial assets or liabilities at fair value through profit and loss	379,766	(723,105)
A51141	Financial assets at fair value through other comprehensive income	(118,206)	60,820
A51145	Debt instrument investments measured at cost after amortization	(740,000)	(510,000)
A51990	Net defined benefit assets	(11,875)	-
A51160	Other financial assets	714,586	494,579
A51170	Reinsurance Contracts Assets	253,773	(732,253)
A51190	Guarantee deposits paid	(4,754)	(10,982)
A51990	Other assets	(1,991)	10,562
A52110	Notes payable	(27,097)	30,217
A52120	Claims payable	-	-
A52140	Commission payable	18,703	(18,100)

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Code		2024	2023
A52150	Reinsurance accounts payable	(\$ 29,359)	\$ 3,806
A52160	Other payables	69,457	18,513
A52200	Provisions for employee benefits	5,868	(14,799)
A52240	Guarantee deposits received	1,048	660
A52990	Other liabilities	<u>23,588</u>	<u>3,680</u>
A33000	Cash inflow from operating activities	1,120,751	68,822
A33100	Interests received	182,617	143,817
A33200	Dividends received	108,436	192,756
A33300	Interests paid	(293)	(277)
A33500	Income tax paid	<u>(152,777)</u>	<u>(108,167)</u>
AAAA	Net cash inflow from operating activities	<u>1,258,734</u>	<u>296,951</u>
	Cash flow from investing activities		
B02700	Acquisition of property and equipment	(9,739)	(12,592)
B04500	Acquisition of intangible assets	<u>(2,299)</u>	<u>(9,912)</u>
BBBB	Cash outflow from investing activities	<u>(12,038)</u>	<u>(22,504)</u>
	Cash flow from financing activities		
C04020	Repayment of lease principal	(3,150)	(4,148)
C04500	Cash dividends paid	<u>(340,315)</u>	<u>(216,838)</u>
CCCC	Cash outflow from financing activities	<u>(343,465)</u>	<u>(220,986)</u>
DDDD	Exchange rate effects on cash	3,333	(1,682)
EEEE	Increase in cash and cash equivalents for the current period	906,564	51,779
E00100	Opening cash and cash equivalents	<u>1,387,004</u>	<u>1,335,225</u>
E00200	Closing cash and cash equivalents	<u>\$ 2,293,568</u>	<u>\$ 1,387,004</u>

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.
Notes to financial statements
For periods from January 1 to December 31, 2024 and 2023
(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 March 11, 2025.

3. Adoption of new and amended standards and interpretations

- (1) The first-time adoption of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and interpretations (IFRIC) and announcements (SIC) thereof approved by the Financial Supervisory Commission ("FSC") (collectively referred to as "IFRSs" below)

Adoption of FSC-approved amended IFRSs did not result in any material change to the Company's accounting policies.

- (2) FSC-approved IFRSs applicable in 2025

New/Amended/Modified Standards and Interpretations	Effective date of IASB announcement
Amendments to IAS 21 regarding "Lack of exchangeability"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" concerning the amendments to the application guidelines on classification of financial assets	January 1, 2026 (Note 2)

Note 1: The amendments shall apply to annual reporting periods beginning on or after January 1, 2025. When adopting the amended standards for the first time, the Company shall not restate information for the comparative periods but shall instead recognize the impact in retained earnings or translation differences of foreign operations under equity (whichever is appropriate) as well as the affected assets and liabilities on the day of first adoption.

Note 2: The annual reporting period beginning after January 1, 2026 is applicable to this amendment. The enterprise may choose to apply the same earlier on January 1, 2025. At the time of initial application of the amendments, the same shall be applied retrospectively but the comparative period shall not be restated. The effect of the initial application shall be recognized on the date of initial application. However, if it may be restated after the enterprise waives to adopt a forward-looking mindset, it may choose to restate the comparative period.

(3) IFRSs published by IASB but yet to be approved and issued into effect by FSC New/Amended/Modified Standards and Interpretations	Effective date of IASB announcement (Note)
“IFRS Annual Improvements - Volume 11”	January 1, 2026
IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendment to IFRS 9 and IFRS 7 "Contract with Natural Power Dependence"	January 1, 2026
Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	Undetermined
IFRS 17 - "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 “Disclosure Initiative - Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

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

1. IFRS 18 - "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 - "Presentation of Financial Statements"; key changes of the standard include:

- The statement of profit or loss shall classify income and expense into the following categories: operating, investing, financing, income taxes, and discontinued operations.
- 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.

2. IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments aim to modify the requirements for the classification of financial assets. For example, if the financial assets involve a contingency that may change the time of point or amount of the contractual cash flow, and the nature of the contingency has no direct relationship with the basic loan risk and changes in the cost (e.g. whether the debtor meets the specific requirement for reduction of carbon emissions), the contractual cash flow of such financial assets consist of the payment of the principal and interest on the outstanding principal entirely insofar as the following two conditions are met:

- The contractual cash flows arising from all possible scenarios (before or after the occurrence of any contingency) consist of the payment of principal and interest on the outstanding principal entirely; and
- There is no material difference between the contractual cash flows generated under all possible scenarios and the cash flows from financial instruments on the same contractual terms but exclusive of contingent features.

The amendments also provide that if, when an enterprise settles financial liabilities in cash using the e-payment system, the following conditions are met, the enterprise may choose to derecognize financial liabilities on the date of settlement:

- The enterprise has no practical ability to withdraw, stop or cancel the payment order;
- The enterprise has no practical ability to withdraw the cash to be paid for the settlement as a result of the payment order; and
- The settlement risk over the e-payment system is insignificant.

3. IFRS 17 - "Insurance Contracts" and amendments

Accounting treatment of insurance contracts stated under IFRS 17 will supersede IFRS 4 - "Insurance Contracts." Key amendments to IFRS 17 are as follows:

Level of aggregation for insurance contracts

IFRS 17 requires the Company to identify portfolios of insurance contracts. A portfolio refers to contracts that are subject to similar risks and management. Contracts within a specific product line would be expected to share similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued by the Company shall be divided into a minimum of:

- (a) A group of contracts that are onerous at initial recognition;
- (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 Company is not permitted to include contracts issued more than one year apart in the same group, and shall apply appropriate recognition and measurement rules of IFRS 17 for the portfolios it has determined.

Recognition

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

- (a) The beginning of coverage start date for 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.

Measurement at initial recognition

On initial recognition, the Company shall measure a group of insurance contracts at the total of fulfillment cash flows and contractual service margin. Fulfillment cash flow (“FCF”) comprises future cash flow estimates, adjustments for time value of money (“TVM”) and financial risks associated with future cash flows, and risk adjustments for non-financial risk. Contractual service margin represents unearned profit from a group of insurance contracts that the Company will recognize as it provides services in the future. Unless the group of contracts is onerous, contractual service margin is measured upon initial recognition of a group of insurance contracts at an amount that results in no income or expenses arising from:

- (a) Initial recognition of FCF;
- (b) All cash flows originating from the group of contracts as of the given day; and
- (c) De-recognition of the following items on the initial date of recognition:
 - (i) All cash flow assets acquired from insurance; and
 - (ii) All other assets or liabilities previously recognized on cash flows from the group of contracts.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the book value sum of the liability for remaining coverage and liability for incurred claims. Liability for remaining coverage includes FCF related to future services, the CSM, and FCF related to past service allocated to the group at that date. If a group of insurance contracts becomes onerous (or more onerous), the loss shall be recognized in profit or loss immediately.

Onerous contracts

An insurance contract is onerous at initial recognition if the amount of FCF allocated to insurance contract plus cash flows previously received and recognized on insurance plus all cash flows arising from the contract at initial recognition result in a net outflow. In which case, the Company shall recognize a loss in profit or loss for the net outflow, so that carrying amount of liability for the group of contracts equals the FCF and that CSM of the group is zero. The CSM cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss.

Premium allocation approach

The Company may simplify measurement for a group of insurance contracts using the Premium Allocation Approach (PAA) if any of the following conditions is met at the inception of the group of insurance contracts:

- (a) The Company reasonably expects that the size of liability for remaining coverage generated from PAA to be a reasonable approximation of the general model, or
- (b) The coverage period of each contract in the group is one year or less.

Where, at the inception of the group, the Company expects significant variances in the FCF before a claim is incurred that would affect the measurement of liabilities for remaining coverage, such contracts are not eligible for condition (a).

When using PAA, the liability for remaining coverage is calculated as:

- (a) Premiums collected at initial recognition;
- (b) Less cash flows acquired from all insurance on the given day; and
- (c) Plus or minus de-recognition of the following items on the date of initial recognition:
 - (i) All cash flow assets acquired from insurance; and
 - (ii) All other assets or liabilities previously recognized on cash flows from the group of contracts.

Subsequently, carrying amount of the liability shall be adjusted for premiums received, amortization of cash flows acquired on insurance, minus the amount recognized as insurance revenue for services rendered in that period, and minus all investment components paid or transferred to the liability for incurred claims.

Investment contracts with a discretionary participation feature

An investment contract with a discretionary participation feature (DPF) is a financial instrument that does not include a transfer of significant insurance risk. These contracts are subject to IFRS 17 only if the Company issues investment contracts with DPF and insurance contracts at the same time.

Modification and derecognition

If the terms of an insurance contract are modified, the Company shall de-recognize the original contract and recognize the modified contract as a new contract if there is a substantive modification that meets any of the specified criteria.

The Company shall de-recognize an insurance contract when it is extinguished or if any substantive modification is made.

Transition

In general, the Company shall fully adopt IFRS 17 on a retrospective basis. However, where it is impracticable to do so, the Company shall have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, the Company shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but need only use information available without undue cost or effort. If reasonable and supportable information is unavailable, the Company shall apply the fair value approach instead.

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

Re-designation of financial assets

On the date of the initial application of IFRS 17, the enterprises which have applied IFRS 9 may re-designate and re-classify the financial assets that satisfy the requirements referred to in Paragraph C29, IFRS 17. It is not necessary for the enterprises to re-prepare the comparative information to reflect the changes in re-classification of the assets. Therefore, the difference between the previous book value of the financial assets and that on the date of initial application is stated as the initial retained earnings (or adequate other equity) on the date of initial application. If the enterprises re-prepare the comparative information, the re-prepared information must reflect the requirements posed by IFRS 9 to the affected financial assets.

Meanwhile, the enterprises which have already applied IFRS 9 before the initial application of IFRS 17 may choose the adequate Classification Overlay based on the individual financial asset, with respect to the financial assets already derecognized in the comparative period on the date of initial application of IFRS 17, as if the financial asset were re-classified per the re-designation requirements under Paragraph C29, IFRS 17 during the comparative period.

Apart from the impacts mentioned above, the Company continues to evaluate how amendments to the above standards and interpretations will also affect its financial position and business performance as of the publication date of the financial statements. The outcomes of these assessments will be disclosed once they are concluded.

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 IFRSs.

(2) Basis of preparation

This financial report has been prepared based on historical cost and, except for financial instruments carried at fair value 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) Classification of current and non-current assets and liabilities

Due to the distinctive nature of its business activities, the Company does not classify assets and liabilities into current or non-current categories, but instead presents its accounts in the order of relative liquidity.

(4) Foreign currencies

Monetary foreign currency accounts are converted using closing exchange rates as of every balance sheet date. Exchange differences arising from settlement or translation of monetary accounts are recognized in profit and loss in the year occurred.

Foreign currency-denominated non-monetary items carried at fair value are converted using exchange rates as of the date of fair value assessment; exchange differences are recognized in the current profit and loss. However, items with fair value changes recognized in other comprehensive income shall also have exchange differences recognized in other comprehensive income.

Foreign currency-denominated non-monetary items carried at historical cost are converted using exchange rate as of the date of initial transaction. No further re-calculation shall be made.

(5) Property, plant and equipment

Property, plant and equipment are initially recognized at cost, and subsequently presented at cost after accumulated depreciation and impairment.

Each significant part of the property, plants, and equipment is separately depreciated on a straight-line basis over its useful life, except no depreciation is

provided for own land. The Company reviews the estimated useful life, residual value and depreciation method at least once at the end of each year. Impacts of changes in accounting estimates are applied prospectively.

Gains or losses arising from decommissioned property, plant and equipment are calculated as the difference between disposal proceeds and the asset's book value, and are recognized in profit and loss in the year occurred.

(6) Investment property

Investment properties are real estate properties held for rental income or capital gain, or both. Investment properties also include land held on hand that the Company has yet to determine their future uses.

Investment properties are initially recognized at cost (including transaction cost) and subsequently presented at cost after accumulated depreciation and impairment. Depreciation is provided on a straight-line basis.

In cases where property, plant, and equipment is reclassified to investment property when it is no longer self-occupied, difference between the original book value and the fair value is recognized in other comprehensive income and accumulated as increase from revaluation under equity. Increase from revaluation is directed transferred to retained earnings when the asset is removed from the balance sheet.

The difference between the disposal proceeds and book value of decommissioned investment property is recognized in profit and loss.

(7) Intangible assets

Intangible assets that are acquired through separate purchase with limited useful life are recognized at cost at initiation, and subsequently presented at cost less accumulated amortization and impairment. Intangible assets are amortized on the straight-line basis over its useful life. The Company reviews the estimated useful life, residual value and method of amortization at least on the last day of each year. It prospectively recognizes the effect of changes in accounting estimates.

The difference between the disposal proceeds and book value of intangible assets removed is recognized in current profit and loss.

(8) Impairment of property, right-of-use assets, investment property & intangible assets (except goodwill)

The Company evaluates all property, right-of-use assets, investment property and intangible assets (except goodwill) for signs of impairment every balance sheet date. Assets that exhibit any sign of impairment will have recoverable amount estimated. If the recoverable amount cannot be estimated on an individual basis, the Company will instead estimate the recoverable amount for the entire cash-generating unit. For shared assets, amortization is allocated on a reasonable and consistent basis to individual cash-generating units.

Recoverable amount is the higher between "fair value less selling costs" and the "utilization value." If recoverable amount of an asset or cash-generating unit falls below its book value, the book value of that particular asset/cash-generating unit shall be reduced to the recoverable amount with impairment losses recognized in profit and loss.

When impairment losses are reversed on a later date, the book value of corresponding assets/cash-generating units shall be adjusted upwards to the recoverable amount. However, the increased book value shall not exceed the book value (less amortization or depreciation) of the asset/cash-generating unit before impairment losses were recognized in the first place. Reversal of impairment loss is recognized in profit and loss.

(9) Financial instruments

Financial assets and financial liabilities are recognized on balance sheet when the Company becomes a party of the contract.

When recognizing financial assets and liabilities at initiation, those that are not designated to be carried at fair value through profit and loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets/liabilities. Transaction costs that are directly attributable to the acquisition or issuance of financial assets/liabilities are recognized in profit and loss at the time incurred.

1. Financial assets

Regular transactions of financial asset are recognized on or removed from balance sheet based on principles of trade date accounting.

(1) Measurement categories

Financial assets held by the Company are distinguished into the following categories: financial assets at fair value through profit and loss, financial assets carried at cost after amortization, debt instruments at fair value through other comprehensive income, and equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss mainly comprise financial assets that are mandatory to be measured at fair value with fair value changes recognized through profit and loss. Financial assets that are mandatory to be measured at fair value with fair value changes recognized through profit and loss include: equity instruments that the Company has not specified to carry at fair value through other comprehensive income, and debt instruments that do not satisfy the criteria to be carried at cost after amortization or at fair value through other comprehensive income.

Financial assets at fair value through profit and loss are measured at fair value, with gains and losses (including any dividends or interests generated from the financial asset) recognized in profit and loss. See Note 30 for details regarding the fair value method.

B. Financial assets carried at cost after amortization

Financial asset investments that satisfy both the following conditions are carried at cost after amortization:

- a. The financial asset is held for a specific business model, and the purpose of which is to hold the financial asset and collect contractual cash flow; and
- b. The contractual terms give rise to cash flows on specific dates, and the cash flows are intended solely to pay principals and interests accruing on outstanding principals.

For financial assets carried at cost after amortization, the effective interest method is used to determine the book value at initiation. They are subsequently presented net of impairments and amortization. Any gain/loss from currency exchange incurred on these financial assets is recognized through profit and loss.

Except for the two circumstances explained below, interest income is calculated by multiplying the book value of financial asset with effective interest rate:

- a. Acquisition or creation of credit-impaired financial assets; in which case interest income is calculated by multiplying the cost of financial assets after amortization with credit-adjusted effective interest rate.
- b. Financial assets that were not credit-impaired at the time of acquisition or origination, but become credit-impaired on a later date; in which case interest income is calculated by multiplying the cost of financial assets after amortization with the effective interest rate since the reporting period following the credit impairment.

Financial assets are considered credit-impaired if the issuer or debtor exhibits major financial distress, default, likely bankruptcy, financial restructuring or any financial difficulty that may render the financial asset no longer available on the active market.

Cash equivalents include time deposits with less than 3 months until maturity that are highly liquid, readily convertible into defined amounts of cash, and less prone to the risk of fair value changes. Cash equivalents are held for the purpose of meeting the Company's short-term cash commitments.

C. Debt instruments at fair value through other comprehensive income

Debt instrument investments are classified as financial assets at fair value through other comprehensive income if they satisfy both the following conditions:

- a. The financial asset is held for a specific business model, and the purpose of which involves collection of contractual cash flow and resale of the financial asset; and
- b. The contractual terms give rise to cash flows on specific dates, and the cash flows are intended solely to pay principals and interests accruing on outstanding principals.

Debt instruments at fair value through other comprehensive income are measured at fair value. Book value changes that are attributed to interest income (calculated using the effective interest method), gain/loss on currency exchange and provision/reversal of impairment loss are recognized through profit and loss. All other changes are recognized through other comprehensive income and reclassified into profit and loss when the investment is disposed on a later date.

D. Equity instruments at fair value through other comprehensive income

For equity instruments that are neither held for trading nor recognized/received as a consideration for business acquisition, the Company is entitled to an irrevocable option to account them at fair value through other comprehensive income at initial recognition.

Equity instruments at fair value through other comprehensive income are measured at fair value; subsequent fair value changes are recognized through other comprehensive income and accumulated under other equity. At the time of disposal, cumulative gains/losses are transferred directly into retained earnings and not reclassified into profit and loss.

Dividends from equity instruments at fair value through other comprehensive income are recognized in profit and loss when the

entitlement to receive is confirmed, unless the dividends clearly represent a partial recovery of the investment cost.

(2) Impairment of financial assets

On each balance sheet day, the Company assesses impairment losses on financial assets carried at cost after amortization (including notes receivable - net and premiums receivable - net) and debt instruments at fair value through other comprehensive income based on expected credit losses.

Loss provisions on receivables are recognized based on expected credit loss and "Regulation on Asset Valuation, Overdue Collection and Loan Loss Provisioning by Insurance Companies." For other financial assets, the Company first evaluates whether there is significant increase in credit risk since initial recognition. If there is no significant increase in credit risk, loss provisions are recognized based on 12-month expected credit losses; if there is significant increase in credit risk, loss provisions are recognized based on expected credit losses over the remaining duration.

Expected credit losses represent average credit losses weighed against the risk of default. 12-month expected credit losses represent the amount of credit losses that the financial instrument is likely to incur due to default event in the next 12 months, whereas expected credit losses for the remaining duration represent the amount of credit losses that the financial instrument is likely to incur due to all possible default events for the remaining duration.

All impairment losses on financial assets are recognized with book value adjusted through the allowance account. However, loss provisions on debt instruments at fair value through other comprehensive income are recognized through other comprehensive income and do not reduce their book amount.

(3) Removal of financial assets

Financial assets can be removed from balance sheet only if all contractual cash flow entitlements have ended, or if the asset has been transferred with virtually all risks and returns assumed by another party.

When a financial assets carried at cost after amortization is derecognized, the difference between book value and the sum of the consideration received is recognized in profit and loss. When a debt instrument carried at fair value through other comprehensive income is derecognized, the difference between book value and the sum of the consideration received plus any cumulative gains or losses previously recognized under other comprehensive income is recognized in profit and loss. When the investment in equity instruments at fair value through other comprehensive income is derecognized, the accumulated gains or losses therefrom are transferred directly into retained earnings, not reclassified as income.

2. Financial liabilities

(1) Subsequent measurements

Financial liabilities are carried at cost after amortization using the effective interest method.

(2) Removal of financial liabilities

When a financial liability is removed, the difference between book value and the consideration paid (including any non-cash assets transferred or any additional liabilities borne) is recognized in profit and loss.

(10) Ceded reinsurance

The Company makes reinsurance arrangements in accordance with insurance regulations and as needed for its business activities in order to limit possible losses arising from exposure to certain risks. For ceded insurance coverage, the Company may not deny its obligations to insured parties on the basis that its reinsurers have failed to fulfill their obligations.

The Company recognizes reinsurance premiums expense for ceded reinsurance coverage depending on the nature of reinsurance contract. The financial reports have been prepared after taking into consideration the policy period, which matches premium revenues. Reinsurance premiums expenses are estimated on each balance sheet date using rational and systematic methods. All associated revenues (such as: reinsurance commission revenues) are also recognized during the same period. The Company does not defer gains/losses on reinsurance.

Reinsurance reserve assets include: unearned premium reserve, ceded claim reserve and deficiency reserve for ceded coverage. These reserves are made in accordance with Regulations Governing Reserve Provisioning by Insurance Enterprises and terms of the respective reinsurance contracts, and represent the Company's entitlements over the reinsurers.

The Company assesses reinsurance reserve assets, claims recoverable from reinsurers, and reinsurance accounts receivable balances above on a regular basis for signs of impairment or non-recovery. If there is objective evidence to suggest that the Company may be unable to recover all reinsurance contract assets due to occurrence of an event after initial recognition, the Company will recognize cumulative impairments for the recoverable amount that falls short of the book value of the reinsurance reserve assets, provided that impact to the amounts recoverable from reinsurer due to the above event can be measured reliably. Appropriate amounts of doubtful debt are provided for balances of claims recoverable from reinsurers and reinsurance accounts receivable that are no longer deemed recoverable.

(11) Acceptance of residual assets and right of subrogation

The Company recognizes entitlement over insurance claims when such claims become certain (highly likely inflow of future economic benefits) and the amount of which can be measured reliably.

(12) Insurance liabilities

The Company provides insurance liabilities for various insurance contracts according to "Regulations Governing Reserve Provisioning by Insurance Enterprises," "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance," "Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance" and "Regulations for the Management of the Various Reserves for Nuclear Risks Insurance by Non-life Insurance Enterprises." All insurance liabilities have been verified by FSC-certified actuaries. The basis of provision for various insurance liabilities is explained below:

1. Unearned premium reserve

The Company makes provision of unearned premium reserve for unexpired contracts and existing insurance risks, as calculated based on unexpired risks of each insurance contract. The Company adopts the 24th

Method and other methods to provide for and recover unearned premium reserves.

2. Claim reserves

The Company makes claim reserves using actuarial methods based on past experience and payments. The Company makes two different types of claim reserve: Reported but unpaid claims and Unreported claims. The amount of reserve for Reported but unpaid claims is estimated on a case-by-case basis and provided for different insurance categories.

Claim reserves on mandatory automobile liabilities insurance are provided according to "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance."

Claim reserves on policy-based residential earthquake insurance are provided according to "Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance."

Claim reserves on nuclear risks insurance are provided according to "Regulations for the Management of the Various Reserves for Nuclear Risks Insurance by Non-life Insurance Enterprises."

3. Special claim reserves

There are two types of special claim reserve: "Special claim reserves for major incidents" and "Special claim reserves for change of risk." Provisions made before January 1, 2011 will continue to be presented as liabilities, whereas new provisions made on and after January 1, 2011 net of income taxes are presented as special reserve under other equity items. Starting from January 1, 2011, offsets or recoveries can be made to special claim reserves that are presented as liabilities. Once the liability has been depleted, the remainder of the offset/recovery net of income taxes can be charged against special claim reserves that are presented under other equity items.

(1) Special claim reserves for major incidents

Special claim reserves for major incidents are provided using the percentages specified by the competent authority.

Any occurrence of government-announced major incident that causes individual insurance companies to pay retained claims amounting to NT\$30 million across all insurance categories, and the entire non-life insurance industry to pay claims amounting to NT\$2 billion or above across all insurance categories, may be offset against special claim reserves for major incidents.

Insurance companies that have made special claim reserves for major incidents for more than 15 years may devise a reserve recovery system with the involvement of certified actuaries, and implement with the acknowledgment of the competent authority.

(2) Special claim reserves for change of risk

If the balance of actual claim after offsetting against special claim reserves for major incidents of a particular insurance category is lower than expected claims, the Company shall provide special claim reserves for change of risk on the difference according to rules of the competent authority.

If the balance of actual claim after offsetting against special claim reserves for major incidents of a particular insurance category is higher than expected claims, the Company may offset the difference against special claim reserves for change of risk. If there are insufficient special

claim reserves for change of risk to offset a particular insurance category, the Company may offset the excess against special claim reserves for change of risk of other insurance categories. The insurance category and amount of offset shall comply with the rules and are subject to acknowledgment of the competent authority.

The Company shall recover amounts of special claim reserves for change of risk that exceed the requirements imposed by the competent authority per insurance category.

4. Deficiency reserve

The Company assesses future possible claims and expenses for each category of unexpired contracts and existing insurance risks. If the estimated claims and expenses exceed unearned premium reserves plus expected premium revenues, a deficiency reserve shall be provided on the difference for that insurance category.

5. Liabilities adequacy reserve

With regards to contracts that are subject to liability adequacy test under IFRSs 4, the Company performs adequacy tests for recognized insurance liabilities by estimating future cash flows based on information available on each balance sheet date. Liability adequacy reserves are provided for any shortfalls revealed by the test.

(13) Liability adequacy test

On each balance sheet date, the Company follows the practical actuarial principles published by Actuarial Institute of Chinese Taipei to estimate future cash flows of individual insurance contracts. Any shortfall in the book value of recognized insurance liabilities identified from the above is recognized as current expense/loss.

(14) Revenue recognition

The Company recognizes revenues according to IFRSs 4 - "Insurance Contracts."

Revenue and acquisition cost of insurance coverage:

For direct written coverage, premium revenues are recognized on all underwritten and modified coverage approved in the current period. For assumed reinsurance coverage, reinsurance premium revenues are recognized based on the invoice delivery date. Reinsurance premium revenues accruing as of the balance sheet date are estimated using rational and systematic methods. All associated acquisition costs (e.g.: commission expense, agency charge, fee and reinsurance commission expense) are recognized in the period incurred and not deferred.

The unearned premium reserves is calculated the unearned premiums based on the unearned risks and provided for each insurance for the unearned valid contracts or the insurance risks not yet eliminated, and deposited subject to the insurance type.

Unearned premium reserves on mandatory automobile liabilities insurance are provided according to "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance."

Unearned premium reserves on residential earthquake insurance are provided according to "Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance."

Unearned premium reserves on nuclear risks insurance are provided according to "Regulations for the Management of the Various Reserves for Nuclear Risks Insurance by Non-life Insurance Enterprises."

Methods for providing unearned premium reserves are determined by actuarial personnel for the various types of insurance coverage, unless otherwise regulated by

law (no change can be made without the authority's approval). The amount of unearned premium reserve is subject to verification and certification by actuarial personnel.

Taxes on insurance revenues are recognized on an accrual basis according to the Value-added and Non-value-added Business Tax Act, the Stamp Tax Act and relevant regulations.

(15) Cost of insurance claims

For direct written coverage, the cost of insurance claims comprises claims payments (including claim-related expenses) incurred and approved in the current period. Amounts that have been ascertained by the claims department but not yet paid by the accounting/finance department and amounts that are not yet ascertained by the claims department are estimated on a case-by-case basis for each insurance category, and recognized as the net change in reported but unpaid claim reserves.

For assumed reinsurance coverage, claims payable to reinsurers are recognized based on the invoice delivery date. Reinsurance claims payable accruing as of the balance sheet date are estimated using rational and systematic methods and recognized as the net change in claim reserves.

For direct written and assumed reinsurance coverage, the amount of unreported insurance claims is calculated category-by-category based on previous claims and expenses using actuarial methods, and recognized as net change in unreported claim reserves.

With regards to claims recoverable from reinsurers on ceded reinsurance coverage, any claims (including claim-related expenses) received are recognized as claims recovered from reinsurers, whereas unpaid and unreported claims (including claim-related expenses) are recognized as net change in claim reserves.

The Company does not apply discounting when calculating claim reserves.

Claim reserves on mandatory automobile liabilities insurance are provided according to "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance."

Claim reserves on residential earthquake insurance are provided according to "Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance."

Claim reserves on nuclear risks insurance are provided according to "Regulations for the Management of the Various Reserves for Nuclear Risks Insurance by Non-life Insurance Enterprises."

(16) Leases

The Company evaluates whether a contract meets the criteria of (or contains arrangements characterized as) lease on the day of establishment.

1. Where the Company is the lessor

All other lease arrangements are classified as operating lease.

In an operating lease arrangement, the amount of proceeds received net of incentives are recognized as income on a straight-line basis over the lease tenor. All initial direct costs incurred in relation to the establishment of operating lease are added to the book value of the underlying asset, and recognized as expenses using the straight-line basis over the lease tenor.

2. Where the Company is the lessee

The Company recognizes right-of-use assets and lease liabilities from the lease start date for each lease arrangement, except for exempted low-value and short-term leases where expenses are recognized on a straight-line basis over the lease tenor.

Right-of-use assets are measured at cost at initiation (including the initial amount of lease liability, lease payments made before the lease start date less the amount of lease incentives received, initial direct cost and estimated cost of recovery for the underlying asset), and subsequently at cost less accumulated depreciation and impairment with adjustments made to the remeasurement account for lease liability.

Right-of-use assets are depreciated on a straight-line basis from the lease start date until the end of useful life or until expiry of the lease tenor, whichever the earlier.

Lease liabilities are carried at the present value of lease payments. Lease payments are discounted at the implicit interest rate if it can be determined easily. If the interest rate cannot be determined easily, the lessee's incremental borrowing rate is used instead.

Subsequently, lease liability is carried at cost after amortization using the effective interest method, whereas interest expense is amortized over the lease tenor. If there is any change to the lease tenor or to the index or fee rate relevant for determining lease payment, the Company will remeasure its lease liabilities and make corresponding adjustments to right-of-use asset. If, however, the book value of right-of-use asset has already been reduced to zero, any subsequent remeasurements are recognized through income statement. With respect to the lease modification not presented as the lease individually, the lease liability remeasurement resulting from the decrease in the scope of lease decreased the right-of-use assets and recognized the gain or loss from termination of the lease in part or in whole, while the lease liability remeasurement resulting from other modifications adjusted the right-of-use assets only. Lease liabilities are presented individually on the standalone balance sheet.

(17) Employee benefits

1. Short-term employee benefit

Liabilities associated with short-term employee benefits are measured at non-discounted amount of cash that the Company expects to pay in exchange for employees' service.

2. Retirement benefits

For defined contribution plans, the amount of contributions made to pension funds over the duration of employees' service are recognized as current period expenses.

For defined benefit plans, the cost of benefit (including service cost, net interest and effect of remeasurement) is estimated using the Projected Unit Credit Method. Service costs (including current service costs) and net interests on net defined benefit plan liabilities are recognized as employee welfare expense at the time incurred or whenever the plan is amended, curtailed or repaid. Effects of remeasurement (including actuarial gains/losses, change in plan asset limits, and return on plan assets net of interest) are recognized under other comprehensive income and added to retained earnings at the time of occurrence. This amount is not reclassified into profit and loss in subsequent periods.

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

(18) Income tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

The current income tax payable is calculated based on the taxable income of the current period. The taxable income may differ from pre-tax profit presented in the statement of comprehensive income because some of the gains, expenses and losses are taxable or deductible in other years, while some are tax-exempted or eligible for tax deductions. The Company's current income tax liabilities are calculated using the tax rate applicable as of the balance sheet date.

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

Adjustments to income taxes reported in previous years are recognized as income tax expenses in the current period the adjustment is made.

2. Deferred income tax

Deferred income taxes are tax effects of temporary differences, given rise by the different book value of assets and liabilities presented in the financial statement and those reported for tax filing. Tax impacts arising from taxable temporary differences are recognized as deferred income tax liabilities; deferred income tax assets are recognized under the condition that the Company is very likely to generate taxable income to realize them in the future.

Book value of deferred income tax asset is re-assessed on every balance sheet date. The Company will reduce book value if it is not highly likely to generate enough taxable income to realize part or all of the assets. Temporary differences that were not initially recognized as deferred income tax assets are also subject to re-assessment on every balance sheet date. These differences may be recognized to increase the book value of deferred income tax asset if the Company considers it highly likely to generate taxable income for full or partial recovery of such asset.

Deferred income tax assets and liabilities are estimated using expected tax rate applicable at the time the liability/asset is expected to be settled/realized. This expected tax rate is determined based on the tax rate and tax laws prevailing as of the balance sheet date. Deferred income tax liabilities and assets represent tax impacts of the method by which the Company expects to recover/settle the book value of its assets and liabilities as of the balance sheet date.

3. Current and deferred income tax for the year

Current and deferred income taxes are recognized in profit and loss, except in cases where items giving rise to the difference are recognized under other comprehensive income; in which case, both current and deferred income taxes shall also be recognized under other comprehensive income.

(19) Coinsurance organization, coinsurance and guarantee fund arrangements

1. Coinsurance contract for mandatory automobile liabilities insurance

The Company has signed a "Mandatory Automobile Liabilities Coinsurance Contract" with all peers that have been approved by the competent authority to engage in mandatory automobile liabilities insurance service. The contract requires all underwritten mandatory automobile liabilities insurance

coverage to be subject to coinsurance. Violators will be subject to default penalty, and all contract participants have agreed to auditing by representatives of the coinsurance team. Assumed coinsurance coverage is calculated on a pure premium basis, and allocated at the agreed coinsurance percentage. Coinsurance participants may not exit the arrangement unless due to liquidation or business cessation. Participants will automatically exit the coinsurance arrangement if they stop providing automobile liabilities insurance service. In which case, natural expiry shall apply to unexpired liabilities.

2. Coinsurance contract for residential earthquake insurance

The Company and all industry peers approved by the competent authority to engage in residential fire insurance service have been granted membership to the Residential Earthquake Insurance Fund (Earthquake Insurance Fund), a coinsurance organization. The members have jointly established a "Residential Earthquake Coinsurance Contract" requiring all underwritten residential earthquake insurance coverage to be subject to coinsurance. All contract participants have agreed to audit by representatives of the coinsurance team. Assumed coinsurance coverage is calculated on a pure premium basis; participants bear coinsurance liability for the coverage they assume individually, and are not jointly responsible for the liabilities of others. Participants may exit the coinsurance arrangement by notifying the Earthquake Insurance Fund 3 months before commencement of the next policy year. Exited participants will continue to assume existing shared liabilities until the end of the current year, and shared liabilities outstanding thereafter will be transferred to other coinsurance members. Members shall notify the Earthquake Insurance Fund to withdraw from coinsurance if dissolved due to winding up, dissolution, or business combination. In such case, all assumed coverage remaining in the current year will be transferred to other members of the coinsurance organization starting from the date of winding up/dissolution/business combination announced by the competent authority. The coinsurance organization will convene meetings to discuss the method of transfer. For members that withdraw from the coinsurance due to business combination, any assumed coverage remaining in the current year will be undertaken by surviving companies.

5. Sources of uncertainty to significant accounting judgments, estimates, and assumptions

When applying accounting policies, the management is required to make judgments, estimates, and assumptions based on historical experience or other relevant factors in situations where information cannot be easily obtained from available sources. The actual outcome may differ from initial estimates.

The Company takes into consideration the effects of inflation, market interest rate, and exchange rate variation when making significant accounting estimates such as cash flow, growth rate, discount rate, and profitability. The management will continue to review the estimates and basic assumptions. If a revision of accounting estimate affects only the current period, the effect shall be recognized only for the current period. If a revision of accounting estimate affects current and future periods, the effect shall also be recognized for current and future periods.

Insurance liabilities from insurance contracts

Claim reserves arising from insurance contracts are estimated on each balance sheet date according to insurance regulations. These amounts are verified by FSC-certified actuaries, but due to the estimations involved, the actual amount of liability may be higher or lower than the amount estimated.

6.	<u>Cash and cash equivalents</u>		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Petty cash and cash on hand	\$ 695	\$ 757
	Check and current deposit	1,978,034	1,203,247
	Cash equivalents (refers to investments with an initial tenor of 3 months or less)	<u>314,839</u>	<u>183,000</u>
		<u>\$ 2,293,568</u>	<u>\$ 1,387,004</u>

Foreign currency deposits are placed with domestic banks. As at December 31, 2024 and 2023, the Company held NT\$4,185,665 thousand and NT\$4,870,299 thousand of time deposit, respectively, that had an initial maturity date of more than 3 months and were classified as other financial assets (refer to Note 11).

7.	<u>Financial assets at fair value through profit and loss</u>		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Mandatory at fair value throughout profit and loss		
	Non-derivative financial assets		
	– Locally Listed Stocks	\$ 396,645	\$ 314,982
	– Fund beneficiary certificates	918,768	1,467,578
	– Real estate investment trust	151,560	163,692
	– Domestic bank debentures	<u>149,019</u>	<u>49,506</u>
	Subtotal	<u>\$ 1,615,992</u>	<u>\$ 1,995,758</u>

For the periods from January 1 to December 31, 2024 and 2023, the Company recognized NT\$18,095 thousand and NT\$27,221 thousand as the revenue from cash dividend, respectively.

8.	<u>Financial assets at fair value through other comprehensive income</u>		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Investment in equity instruments	\$ 2,723,474	\$ 2,400,152
	Investment in debt instruments	<u>53,753</u>	<u>257,657</u>
		<u>\$ 2,777,227</u>	<u>\$ 2,657,809</u>

(1)	Investment in equity instruments		
		<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Domestic investments		
	Public-listed shares	\$ 1,561,100	\$ 1,236,762
	Unlisted shares	<u>1,162,374</u>	<u>1,163,390</u>
		<u>\$ 2,723,474</u>	<u>\$ 2,400,152</u>

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 December 31, 2024 and 2023. Listed common shares were sold at fair value, and as a result, NT\$98,546 thousand and NT\$71,928 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.

For the periods from January 1 to December 31, 2024 and 2023, the Company recognized NT\$90,341 thousand and NT\$165,535 thousand as the revenue from cash dividend and acquired NT\$7,983 thousand and NT\$1,961 thousand as the stock dividends, respectively.

(2) Investment in debt instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Domestic investments		
Government bonds	\$ 516,898	\$ 747,422
Less: Amount placed as guarantee deposit	(<u>463,145</u>)	(<u>489,765</u>)
	<u>\$ 53,753</u>	<u>\$ 257,657</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Face value of investment	<u>\$ 500,000</u>	<u>\$ 700,000</u>
Coupon interest rate	1.625%~2.5%	1.5%~2.5%
Average maturity	14.95 years	9.30 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 18 for the amount of government bonds placed as guarantee deposits for insurance business as of December 31, 2024 and 2023.

9. Financial assets carried at cost after amortization

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Domestic investments		
Bank debenture (1)	\$ 1,650,000	\$ 1,510,000
Corporate bond (2)	<u>2,060,214</u>	<u>1,459,684</u>
Subtotal	3,710,214	2,969,684
Less: loss provisions	(<u>12,735</u>)	(<u>20,442</u>)
	<u>\$ 3,697,479</u>	<u>\$ 2,949,242</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Domestic investments</u>		
Face value of investment	<u>\$ 1,650,000</u>	<u>\$ 1,510,000</u>
Coupon interest rate	1.2%~2.7%	1.20%~2.65%
Average maturity	4.49 years	4.09 years

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Domestic investments</u>		
Face value of investment	<u>\$ 2,065,000</u>	<u>\$ 1,465,000</u>
Coupon interest rate	0.70%~3.75%	0.70%~3.75%
Average maturity	6.68 years	6.59 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:

December 31, 2024

	<u>At fair value through other comprehensive income</u>	<u>At cost after amortization</u>	<u>Total</u>
Cost	\$ 561,848	\$ 3,710,214	\$ 4,272,062
Loss provisions	(141)	(12,735)	(12,876)
Cost after amortization	561,707	<u>\$ 3,697,479</u>	4,259,186
Fair value adjustment	(44,809)		(44,809)
	516,898		4,214,377
Amount placed as bond	(463,145)		(463,145)
	<u>\$ 53,753</u>		<u>\$ 3,751,232</u>

December 31, 2023

	<u>At fair value through other comprehensive income</u>	<u>At cost after amortization</u>	<u>Total</u>
Cost	\$ 765,491	\$ 2,969,684	\$ 3,735,175
Loss provisions	(209)	(20,442)	(20,651)
Cost after amortization	765,282	<u>\$ 2,949,242</u>	3,714,524
Fair value adjustment	(17,860)		(17,860)
	747,422		3,696,664
Amount placed as bond	(489,765)		(489,765)
	<u>\$ 257,657</u>		<u>\$ 3,206,899</u>

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.	<u>Other financial assets</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Time deposit with initial maturity of more than 3 months</u>		
	- NTD	\$ 3,890,600	\$ 4,630,800
	- Foreign currency	<u>295,065</u>	<u>239,499</u>
		<u>\$ 4,185,665</u>	<u>\$ 4,870,299</u>
	Interest rate range - NTD	0.675%~1.725%	0.6%~1.6%
	Interest rate range - Foreign currency	4.4%~5.2%	4.7%~5.4%
12.	<u>Receivables</u>		
(1)	Details:	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	<u>Notes receivable</u>		
	At cost after amortization		
	Arising from business activities	\$ 125,078	\$ 175,640
	Less: loss provisions	(3,412)	(4,687)
		<u>\$ 121,666</u>	<u>\$ 170,953</u>
	<u>Premiums receivable</u>		
	At cost after amortization		
	Total book value	\$ 152,563	\$ 63,870
	Less: loss provisions	(37,069)	(33,615)
		<u>\$ 115,494</u>	<u>\$ 30,255</u>
	<u>Other receivables</u>		
	At cost after amortization		
	Interest receivable	\$ 68,053	\$ 58,700
	Commission receivable from canceled coverage	10,471	5,190
	Peer claims advanced by receivables	1,815	-
	Rent receivable	897	2,117
	Others	9	-
	Less: loss provisions	(5,903)	(4,393)
		<u>\$ 75,342</u>	<u>\$ 61,614</u>
	<u>Claims recoverable from reinsurers</u>		
	At cost after amortization		
	Total book value	\$ 139,916	\$ 172,816
	Less: loss provisions	(700)	(898)
		<u>\$ 139,216</u>	<u>\$ 171,918</u>
	<u>Reinsurance accounts receivable</u>		
	At cost after amortization		
	Total book value	\$ 514,469	\$ 247,830
	Less: loss provisions	(2,932)	(2,490)
		<u>\$ 511,537</u>	<u>\$ 245,340</u>

Claims recoverable from reinsurers and reinsurance accounts receivable are presented under reinsurance contract assets. Please refer to Notes 14 and 37(1) for details on insurance contract receivables and payables, and Note 37(8) for details on claims liabilities reported by policyholders.

(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 counterparty'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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Not yet matured/ redeemed/ collected	\$ 125,078	\$ 175,626
Returned notes	<u>-</u>	<u>14</u>
Total	<u>\$ 125,078</u>	<u>\$ 175,640</u>

Premiums receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
0~90 days	\$ 116,000	\$ 27,062
91 days and above	<u>36,563</u>	<u>36,808</u>
Total	<u>\$ 152,563</u>	<u>\$ 63,870</u>

Aging analysis for premiums receivable was prepared based on contract effective date.

Other receivables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
0~90 days	\$ 72,387	\$ 61,740
91 days and above	<u>8,858</u>	<u>4,267</u>
Total	<u>\$ 81,245</u>	<u>\$ 66,007</u>

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

Claims recoverable from/payable to reinsurers and reinsurance accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
0~270 days	\$ 650,137	\$ 417,606
271 days and above	<u>4,248</u>	<u>3,040</u>
Total	<u>\$ 654,385</u>	<u>\$ 420,646</u>

Aging analysis for claims recoverable from/payable to reinsurers and reinsurance accounts receivable was prepared based on the bookkeeping date.

(3) Change in loss provisions:

December 31, 2024

Notes receivable

	Not yet matured/ redeemed/ collected	Returned notes	Total
Loss ratio	0.5%~50%	100%	
Total book value	\$ 125,078	\$ -	\$ 125,078
Loss provisions	(<u>3,412</u>)	-	(<u>3,412</u>)
Cost after amortization	<u>\$ 121,666</u>	<u>\$ -</u>	<u>\$ 121,666</u>

Premiums receivable

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	\$ 116,000	\$ 36,563	\$ 152,563
Loss provisions	(<u>1,380</u>)	(<u>35,689</u>)	(<u>37,069</u>)
Cost after amortization	<u>\$ 114,620</u>	<u>\$ 874</u>	<u>\$ 115,494</u>

Other receivables

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	\$ 72,387	\$ 8,858	\$ 81,245
Loss provisions	(<u>362</u>)	(<u>5,541</u>)	(<u>5,903</u>)
Cost after amortization	<u>\$ 72,025</u>	<u>\$ 3,317</u>	<u>\$ 75,342</u>

Claims recoverable from/payable to reinsurers and reinsurance accounts receivable

	0~270 days	271 days and above	Total
Loss ratio	0.5%	2%~100%	
Claims recoverable from reinsurers	\$ 139,916	\$ -	\$ 139,916
Reinsurance accounts receivable	510,221	4,248	514,469
Loss provisions	(<u>3,108</u>)	(<u>524</u>)	(<u>3,632</u>)
Cost after amortization	<u>\$ 647,029</u>	<u>\$ 3,724</u>	<u>\$ 650,753</u>

December 31, 2023

Notes receivable

	Not yet matured/ redeemed/ collected	Returned notes	Total
Loss ratio	0.5%~50%	100%	
Total book value	\$ 175,626	\$ 14	\$ 175,640
Loss provisions	(4,673)	(14)	(4,687)
Cost after amortization	<u>\$ 170,953</u>	<u>\$ -</u>	<u>\$ 170,953</u>

Premiums receivable

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	\$ 27,062	\$ 36,808	\$ 63,870
Loss provisions	(1,135)	(32,480)	(33,615)
Cost after amortization	<u>\$ 25,927</u>	<u>\$ 4,328</u>	<u>\$ 30,255</u>

Other receivables

	0~90 days	91 days and above	Total
Loss ratio	0.5%	2%~100%	
Total book value	\$ 61,740	\$ 4,267	\$ 66,007
Loss provisions	(309)	(4,084)	(4,393)
Cost after amortization	<u>\$ 61,431</u>	<u>\$ 183</u>	<u>\$ 61,614</u>

Claims recoverable from/payable to reinsurers and reinsurance accounts receivable

	0~270 days	271 days and above	Total
Loss ratio	0.5%	2%~100%	
Claims recoverable from reinsurers	\$ 172,816	\$ -	\$ 172,816
Reinsurance accounts receivable	244,790	3,040	247,830
Loss provisions	(2,209)	(1,179)	(3,388)
Cost after amortization	<u>\$ 415,397</u>	<u>\$ 1,861</u>	<u>\$ 417,258</u>

Change in loss provisions by account category:

	2024				
	Notes receivable	Premiums receivable	Other receivables	Claims recoverable from reinsurers	Reinsuranc e accounts receivable
Opening balance	\$ 4,687	\$ 33,615	\$ 4,393	\$ 898	\$ 2,490
Plus: Losses/expenses provided in the current period	-	3,454	1,510	-	1,097
Less: Losses/expenses reversed in the current period	(1,275)	-	-	(198)	(655)
Closing balance	<u>\$ 3,412</u>	<u>\$ 37,069</u>	<u>\$ 5,903</u>	<u>\$ 700</u>	<u>\$ 2,932</u>

	2023				
	Notes receivable	Premiums receivable	Other receivables	Claims recoverable from reinsurers	Reinsuranc e accounts receivable
Opening balance	\$ 4,954	\$ 35,984	\$ 3,778	\$ 600	\$ 767
Plus: Losses/expenses provided in the current period	14	21	615	298	1,723
Less: Losses/expenses reversed in the current period	(281)	(2,390)	-	-	-
Closing balance	<u>\$ 4,687</u>	<u>\$ 33,615</u>	<u>\$ 4,393</u>	<u>\$ 898</u>	<u>\$ 2,490</u>

Explanation to overdue receivables and loss provisions:

1. Balances of premiums receivable and other receivables as of December 31, 2024 included NT\$36,563 thousand and NT\$8,858 thousand that were overdue, for which the Company had made loss provisions totaling NT\$35,689 thousand and NT\$5,541 thousand, respectively. Reinsurance accounts receivable have been assessed for impairment and unrecoverable amounts. The balance includes NT\$4,248 thousand of overdue receivables, for which a loss provision of NT\$524 thousand has been made.
2. Balances of notes receivable, premiums receivable, and other receivables as of December 31, 2023 included NT\$14 thousand, NT\$36,808 thousand and NT\$4,267 thousand that were overdue, for which the Company had made loss provisions totaling NT\$14 thousand, NT\$32,480 thousand, and NT\$4,084 thousand, respectively. Reinsurance accounts receivable have been assessed for impairment and unrecoverable amounts. The balance includes NT\$3,040 thousand of overdue receivables, for which a loss provision of NT\$1,179 thousand has been made.

13. Investment property

	2024		
	Land	Houses and Buildings	Total
<u>Cost</u>			
Balance as of January 1, 2024	\$ 600,323	\$ 350,170	\$ 950,493
Reclassification for the period	867	3,136	4,003
Balance as of December 31, 2024	<u>601,190</u>	<u>353,306</u>	<u>954,496</u>
<u>Increase from revaluation</u>			
Balance as of January 1, 2024	163,480	-	163,480
Balance as of December 31, 2024	<u>163,480</u>	<u>-</u>	<u>163,480</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2024	-	188,577	188,577
Depreciation	-	6,227	6,227
Reclassification for the period	-	2,791	2,791
Balance as of December 31, 2024	<u>-</u>	<u>197,595</u>	<u>197,595</u>
<u>Cumulative impairment</u>			
Balance as of January 1, 2024	15,526	6,172	21,698
Balance as of December 31, 2024	<u>15,526</u>	<u>6,172</u>	<u>21,698</u>
Net balance as of December 31, 2024	<u>\$ 749,144</u>	<u>\$ 149,539</u>	<u>\$ 898,683</u>

	2023		
	Land	Houses and Buildings	Total
<u>Cost</u>			
Balance as of January 1, 2023	\$ 586,860	\$ 336,707	\$ 923,567
Reclassification for the period	<u>13,463</u>	<u>13,463</u>	<u>26,926</u>
Balance as of December 31, 2023	<u>600,323</u>	<u>350,170</u>	<u>950,493</u>
<u>Increase from revaluation</u>			
Balance as of January 1, 2023	<u>163,480</u>	-	<u>163,480</u>
Balance as of December 31, 2023	<u>163,480</u>	-	<u>163,480</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2023	-	177,647	177,647
Depreciation	-	6,121	6,121
Reclassification for the period	-	<u>4,809</u>	<u>4,809</u>
Balance as of December 31, 2023	<u>-</u>	<u>188,577</u>	<u>188,577</u>
<u>Cumulative impairment</u>			
Balance as of January 1, 2023	<u>15,526</u>	<u>6,172</u>	<u>21,698</u>
Balance as of December 31, 2023	<u>15,526</u>	<u>6,172</u>	<u>21,698</u>
Net balance as of December 31, 2023	<u>\$ 748,277</u>	<u>\$ 155,421</u>	<u>\$ 903,698</u>

For reclassification from property, plant and equipment, please refer to Note 15.

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

Main structure	50 to 63 years
Renovation of exterior wall	42 years
Renovation of interior	10 years
Other constructions	10 years

Fair value of investment property as of December 31, 2023 was appraised by the independent appraiser, Global Vision Real Estate Appraiser Office, on November 15, 2023. 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 such investment properties were deemed to have been 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. However, the management of the Company believes that the appraisal report of said investment property was still effective on December 31, 2024. Meanwhile, the Company also appraised the fair value of the investment property by taking into account the existing lease contract and the neighboring rent market on December 31, 2024.

The fair value evaluated is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value	<u>\$ 3,089,517</u>	<u>\$ 3,078,965</u>

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 December 31, 2024 and 2023 is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Year 1	\$ 65,162	\$ 51,342
Year 2	55,777	18,615
Year 3	49,338	10,157
Year 4	59,408	5,688
Year 5	<u>12,997</u>	<u>814</u>
	<u>\$ 242,682</u>	<u>\$ 86,616</u>

14. Reinsurance contract assets

(1) Details:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Claims recoverable from reinsurers	\$ 139,216	\$ 171,918
Reinsurance accounts receivable	511,537	245,340
Reinsurance reserve assets	<u>2,072,880</u>	<u>2,560,148</u>
	<u>\$ 2,723,633</u>	<u>\$ 2,977,406</u>

Reinsurance accounts with substandard counterparties of ceded coverage have been presented in regulatory reports according to Note 5 of "Substandard Reinsurance Reserve Provisioning for Insurance Companies" and disclosed in financial statements in the form of a footnote.

Below is a list of substandard reinsurance counterparties that did not meet the credit rating requirements stated in Article 8 of "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" as of December 31, 2024:

Reinsurance counterparty	Insurance category
Tugu Insurance Company Limited	Facultative reinsurance of marine hull insurance

The Company has made provisions for substandard reinsurance reserves totaling NT\$2 thousand, including NT\$2 thousand of ceded claim reserves for reported and unpaid liabilities. Liabilities and reserves increased by NT\$2 thousand, but this provision does not affect the overall presentation of the Company's financial statements, and credit risk exposure is deemed limited and tolerable accordingly.

Below is a list of substandard reinsurance counterparties that did not meet the credit rating requirements stated in Article 8 of "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" as of December 31, 2023:

Reinsurance counterparty	Insurance category
Tugu Insurance Company Limited	Facultative reinsurance of marine hull insurance
Starstone Insurance Limited	Facultative reinsurance of accident insurance

The Company has made provisions for substandard reinsurance reserves totaling NT\$36 thousand (which comprises NT\$2 thousand of ceded claim reserves for reported and unpaid liabilities and NT\$34 thousand of claims recoverable from reinsurers for obligatory payments made to policyholders that were unrecovered for less than 9 months). Liabilities and reserves increased by NT\$36 thousand, but this provision does not affect the overall presentation of the Company's financial statements, and credit risk exposure is deemed limited and tolerable.

- (2) Please refer to Notes 12 and 37(1) for details and changes in the amount of claims recoverable from reinsurers, reinsurance accounts receivable, and related loss provisions presented above.
- (3) Details of reinsurance reserve assets:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Ceded unearned premium reserve	\$ 985,392	\$ 1,035,654
Ceded claim reserve	<u>1,087,488</u>	<u>1,524,494</u>
	<u>\$ 2,072,880</u>	<u>\$ 2,560,148</u>

Please refer to Items (2), (3) and (5) in Note 37 - Disclosure of insurance contract-related information for more details on reinsurance reserve assets presented above.

15. Property, plant, and equipment

	2024			
	<u>Proprietary land</u>	<u>Buildings</u>	<u>Sundry equipment</u>	<u>Total</u>
<u>Cost</u>				
Balance as of January 1, 2024	\$ 317,197	\$ 341,776	\$ 61,735	\$ 720,708
Increase - current period	-	290	9,449	9,739
Decrease - current period	-	(16,254)	(10,992)	(27,246)
Reclassification for the period	(867)	(3,136)	-	(4,003)
Balance as of December 31, 2024	<u>316,330</u>	<u>322,676</u>	<u>60,192</u>	<u>699,198</u>
<u>Increase from revaluation</u>				
Balance as of January 1, 2024	<u>123,786</u>	-	-	<u>123,786</u>
Balance as of December 31, 2024	<u>123,786</u>	-	-	<u>123,786</u>
<u>Accumulated depreciation</u>				
Balance as of January 1, 2024	-	184,401	28,585	212,986
Depreciation	-	6,560	13,789	20,349
Decrease - current period	-	(15,982)	(10,375)	(26,357)
Reclassification for the period	-	(2,791)	-	(2,791)
Balance as of December 31, 2024	<u>-</u>	<u>172,188</u>	<u>31,999</u>	<u>204,187</u>
<u>Cumulative impairment</u>				
Balance as of January 1, 2024	<u>4,774</u>	<u>1,898</u>	-	<u>6,672</u>
Balance as of December 31, 2024	<u>4,774</u>	<u>1,898</u>	-	<u>6,672</u>
Net balance as of December 31, 2024	<u>\$ 435,342</u>	<u>\$ 148,590</u>	<u>\$ 28,193</u>	<u>\$ 612,125</u>

	2023			
	Proprietary land	Buildings	Sundry equipment	Total
<u>Cost</u>				
Balance as of January 1, 2023	\$ 330,660	\$ 360,971	\$ 76,883	\$ 768,514
Increase - current period	-	166	12,426	12,592
Decrease - current period	-	(5,898)	(27,574)	(33,472)
Reclassification for the period	(13,463)	(13,463)	-	(26,926)
Balance as of December 31, 2023	<u>317,197</u>	<u>341,776</u>	<u>61,735</u>	<u>720,708</u>
<u>Increase from revaluation</u>				
Balance as of January 1, 2023	<u>123,786</u>	-	-	<u>123,786</u>
Balance as of December 31, 2023	<u>123,786</u>	-	-	<u>123,786</u>
<u>Accumulated depreciation</u>				
Balance as of January 1, 2023	-	187,690	39,504	227,194
Depreciation		7,149	16,316	23,465
Decrease - current period		(5,630)	(27,234)	(32,864)
Reclassification for the period		(4,809)	-	(4,809)
Balance as of December 31, 2023		<u>184,401</u>	<u>28,585</u>	<u>212,986</u>
<u>Cumulative impairment</u>				
Balance as of January 1, 2023	<u>4,774</u>	<u>1,898</u>	-	<u>6,672</u>
Balance as of December 31, 2023	<u>4,774</u>	<u>1,898</u>	-	<u>6,672</u>
Net balance as of December 31, 2023	<u>\$ 436,209</u>	<u>\$ 155,477</u>	<u>\$ 33,150</u>	<u>\$ 624,836</u>

Some real properties and equipment were rented in 2024 and 2023, and were reclassified as investment properties accordingly.

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 63 years
Renovation of interior	15 to 42 years
Other constructions	5 to 15 years
Sundry equipment	3 to 10 years

Property, plant and equipment in 2024 and 2023 exclude capitalized interest.

The Company's property, plant and equipment showed no sign of impairment as of December 31, 2024 and 2023.

16. Lease arrangements

(1) Right-of-use asset

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Book value of right-of-use assets		
Buildings	\$ 745	\$ 2,087
Transportation equipment	1,081	1,290
Sundry equipment	<u>1,120</u>	<u>334</u>
	<u>\$ 2,946</u>	<u>\$ 3,711</u>
	<u>2024</u>	<u>2023</u>
Additional right-of-use asset	<u>\$ 2,430</u>	<u>\$ 3,729</u>
Depreciation expense on right-of-use assets		
Buildings	\$ 1,900	\$ 2,130
Transportation equipment	853	1,674
Sundry equipment	<u>400</u>	<u>401</u>
	<u>\$ 3,153</u>	<u>\$ 4,205</u>

The right-of-use assets derecognized upon earlier termination of the lease contract in 2024 and 2023 was NT\$42 thousand and NT\$877 thousand. Meanwhile, the gains from lease modification, NT\$24 thousand and NT\$62 thousand, were recognized as non-operating revenue.

(2) Lease liability

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Book value of lease liabilities	<u>\$ 2,984</u>	<u>\$ 3,770</u>
Discount rate range for lease liabilities:		
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Buildings	2.79%~3.16%	2.79%~3.04%
Transportation equipment	2.55%~3.18%	2.55%~2.93%
Sundry equipment	3.29%	2.55%
	<u>2024</u>	<u>2023</u>
Interest expense on lease liabilities		
Buildings	\$ 51	\$ 99
Transportation equipment	35	51
Sundry equipment	<u>10</u>	<u>14</u>
	<u>\$ 96</u>	<u>\$ 164</u>

(3) Other lease information

	<u>2024</u>	<u>2023</u>
Short-term rent expense	<u>\$ 3,710</u>	<u>\$ 3,203</u>
Total cash (outflow) from lease	<u>(\$ 6,956)</u>	<u>(\$ 7,515)</u>

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.

17. Intangible assets

	<u>Computer software</u>	
	<u>2024</u>	<u>2023</u>
<u>Cost</u>		
Opening balance	\$ 71,452	\$ 75,140
Additions	2,299	9,912
Disposals	<u>-</u>	(<u>13,600</u>)
Closing balance	<u>73,751</u>	<u>71,452</u>
<u>Accumulated depreciation</u>		
Opening balance	38,138	35,381
Amortization expenses	14,472	16,357
Disposals	<u>-</u>	(<u>13,600</u>)
Closing balance	<u>52,610</u>	<u>38,138</u>
Closing net balance	<u>\$ 21,141</u>	<u>\$ 33,314</u>

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

Amortization expenses summarized by function:

	<u>2024</u>	<u>2023</u>
Selling expenses	<u>\$ 14,472</u>	<u>\$ 16,357</u>

The Company's intangible assets showed no sign of impairment as of December 31, 2024 and 2023.

18. Guarantee deposits paid

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Guarantee deposit for insurance		
business - Government bonds	\$ 463,145	\$ 489,765
Others	<u>57,228</u>	<u>52,475</u>
	<u>\$ 520,373</u>	<u>\$ 542,240</u>

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.

19. Other assets - others

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepaid equipment purchase	\$ 17,277	\$ 14,686
Prepayments	2,185	2,486
Payment in suspense	136	261
Others	<u>513</u>	<u>687</u>
	<u>\$ 20,111</u>	<u>\$ 18,120</u>

20.	<u>Other payables</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Salary and bonus payable	\$ 191,555	\$ 129,018
	Tax payable	32,121	32,556
	Proceeds payable but unpaid to policyholders	27,474	27,480
	Share settlements payable	4,066	-
	Pension payable	1,920	1,837
	Leave encashment payable	47	34
	Others	<u>23,752</u>	<u>16,487</u>
		<u>\$ 280,935</u>	<u>\$ 207,412</u>
21.	<u>Insurance liabilities</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
	Unearned premium reserve	\$ 4,498,217	\$ 4,424,737
	Claim reserve	3,791,510	3,889,884
	Special claim reserve	1,716,506	1,860,436
	Deficiency reserve	<u>9,831</u>	<u>-</u>
		<u>\$ 10,016,064</u>	<u>\$ 10,175,057</u>

Please refer to Items (2) to (5) in Note 37 - Disclosure of insurance contract-related information for more details on insurance liabilities presented above.

22. Retirement benefit plan
- (1) Defined contribution plan
The Company is subject to the pension scheme introduced under the "Labor Pension Act." It is a government-managed defined contribution plan, for which the Company contributes an amount equal to 6% of employees' monthly salary into their individual pension accounts held with the Bureau of Labor Insurance.
Please see Note 25(2) for details on pension costs recognized in 2024 and 2023.
- (2) Defined benefit plan
The Company is subject to the pension scheme introduced under the "Labor Standards Act," which is a government-managed defined benefit plan. Under this plan, employees' pension benefits are calculated based on their years of service and 6-month average salary leading up to their retirement. The Company makes monthly pension contributions equivalent to 2.5% of employees' monthly salaries into an account held under Bank of Taiwan in the Labor Pension Supervisory Committee's name. In the event that the account is estimated to be short of balance to pay workers who are expected to meet their retirement criteria in the following year, the Company will reimburse the shortfall by no later than the end of March next year. The account is managed by Bureau of Labor Funds, Ministry of Labor. The Company has no influence whatsoever over the investment strategy.
Please see Note 25(2) for details on pension costs recognized in 2024 and 2023.
The following amounts relating to the defined benefit plan have been recognized on the balance sheet:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	\$ 393,291	\$ 433,148
Fair value of plan assets	(405,166)	(399,341)
Net defined benefit (assets) liabilities	<u>(\$ 11,875)</u>	<u>\$ 33,807</u>

Details of changes in net defined benefit (assets) liabilities:			
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit (assets) liabilities
January 1, 2024	<u>\$ 433,148</u>	<u>(\$ 399,341)</u>	<u>\$ 33,807</u>
Service costs			
Current period service costs	2,892	-	2,892
Interest expense (income)	<u>5,276</u>	<u>(4,913)</u>	<u>363</u>
Recognized through profit and loss	<u>8,168</u>	<u>(4,913)</u>	<u>3,255</u>
Remeasurement			
Return on plan assets (excluding discounted interest income)	-	(36,199)	(36,199)
Actuarial loss - change in financial assumption	(7,206)	-	(7,206)
Actuarial gain - adjustment based on past experience	<u>3,730</u>	<u>-</u>	<u>3,730</u>
Recognized in other comprehensive income	<u>(3,476)</u>	<u>(36,199)</u>	<u>(39,675)</u>
Employer's contribution	<u>-</u>	<u>(4,566)</u>	<u>(4,566)</u>
Amount paid with plan assets	<u>(39,853)</u>	<u>39,853</u>	<u>-</u>
Amount paid on the Company's account	<u>(4,696)</u>	<u>-</u>	<u>(4,696)</u>
December 31, 2024	<u>\$ 393,291</u>	<u>(\$ 405,166)</u>	<u>(\$ 11,875)</u>
January 1, 2023	<u>\$ 462,411</u>	<u>(\$ 410,582)</u>	<u>\$ 51,829</u>
Service costs			
Current period service costs	3,998		3,998
Interest expense (income)	<u>5,677</u>	<u>(5,116)</u>	<u>561</u>
Recognized through profit and loss	<u>9,675</u>	<u>(5,116)</u>	<u>4,559</u>
Remeasurement			
Return on plan assets (excluding discounted interest income)	-	(3,540)	(3,540)
Actuarial gain - adjustment based on past experience	<u>317</u>	<u>-</u>	<u>317</u>
Recognized in other comprehensive income	<u>317</u>	<u>(3,540)</u>	<u>(3,223)</u>
Employer's contribution	<u>-</u>	<u>(10,562)</u>	<u>(10,562)</u>
Amount paid with plan assets	<u>(30,459)</u>	<u>30,459</u>	<u>-</u>
Amount paid on the Company's account	<u>(8,796)</u>	<u>-</u>	<u>(8,796)</u>
December 31, 2023	<u>\$ 433,148</u>	<u>(\$ 399,341)</u>	<u>\$ 33,807</u>

The Company is exposed to the following risks due to adoption of pension scheme introduced under the "Labor Standards Act":

1. Investment risks: The Bureau of Labor Funds, Ministry of Labor, manages the labor pension fund either on its own or by engaging outside parties. The labor pension fund is being allocated into equity securities, debt securities and bank deposits local and abroad; however, the Company estimates return on plan assets at a rate no less than the 2-year time deposit rate offered by local banks.
2. Interest rate risk: A decrease in government/corporate bond yield would increase the present value of defined benefit obligations while increasing the return of plan assets invested in debt instruments. The overall effect on net defined benefit obligation is partially offset.
3. Salary risk: The present value of defined benefit obligations is calculated by taking into consideration the participants' future salary levels. An increase in salary level would raise the present value of defined benefit obligations.

The present value of defined benefit obligations is determined based on actuarial estimates made by certified actuaries. Below are the main assumptions used on the date of measurement:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate	1.5%	1.25%
Long-term average salary adjustment	2%	2%

A reasonable change in the main actuarial assumption would increase (decrease) the present value of defined benefit obligations by the following amounts, provided that all other assumptions remain unchanged:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
0.25% increase	(\$ 7,008)	(\$ 8,075)
0.25% decrease	<u>\$ 7,206</u>	<u>\$ 8,315</u>
Expected salary increase		
0.25% increase	<u>\$ 7,040</u>	<u>\$ 8,105</u>
0.25% decrease	(\$ 6,880)	(\$ 7,911)

The sensitivity analysis above was prepared by changing one actuarial assumption while holding other actuarial assumptions unchanged. Changes in the present value of defined benefit obligations are also measured using the Projected Unit Credit Method. Methodology and assumption of current period's sensitivity analysis are consistent and unchanged compared to those of the previous period.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected contribution to plan assets in the next year	<u>\$ 4,484</u>	<u>\$ 4,792</u>
Weighted average duration of defined benefit plan	7.42 years	7.90 years

23. Other liabilities - others

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Amount collected on behalf	\$ 94,980	\$ 71,618
Amount received in advance	<u>2,098</u>	<u>1,872</u>
	<u>\$ 97,078</u>	<u>\$ 73,490</u>

24. Equity

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Share capital	\$ 3,011,638	\$ 3,011,638
Retained Earnings	5,452,120	4,758,852
Other Equity	<u>232,628</u>	<u>357,141</u>
	<u>\$ 8,696,386</u>	<u>\$ 8,127,631</u>

(1) Share capital
Common shares

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Authorized shares (thousands)	<u>301,163.8</u>	<u>301,163.8</u>
Authorized capital	<u>\$ 3,011,638</u>	<u>\$ 3,011,638</u>
Shares issued and fully paid up (thousands)	<u>301,163.8</u>	<u>301,163.8</u>
Issued share capital	<u>\$ 3,011,638</u>	<u>\$ 3,011,638</u>

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

During the shareholder meeting held on June 27, 2023, a resolution was passed to amend the Articles of Incorporation so that annual surpluses concluded by the Company are first subject to taxation and compensation of previous losses, followed by a 20% provision of legal reserve, unless the legal reserve has reached the level of the total capital of the Company, and provision or reversal of special reserve as required by the authority. The Company may retain an appropriate amount of earnings before distributing the remainder to shareholders as dividends.

According to the amended Articles of Incorporation mentioned above, annual surpluses concluded by the Company are first subject to taxation and compensation of previous losses, followed by a 20% provision of legal reserve, unless the legal reserve has reached the level of the total capital of the Company, and provision or reversal of special reserve as required by the authority. The Company may retain an appropriate amount of earnings before distributing the remainder to shareholders as dividends. With respect to the earnings appropriation proposal mentioned above, the Board of Directors is authorized to distribute dividends and profit-sharing wholly or partially in cash at its discretion and seek acknowledgment from shareholders afterwards, provided that such decision is made in a Board of Directors meeting where more than two-thirds of the Board is present, and voted in favor of by more than half of all directors present at the meeting.

Refer to Note 25(3) - Employee and director remuneration for the Company's employee and director remuneration policy outlined in the Articles of Incorporation.

In addition to complying with requirements of the Insurance Act (see Note 29), the Company's dividend decisions involve several factors, including the current business environment and growth stage, its future capital requirements and long-term financial plan, and shareholders' needs for cash flow. Payment of cash dividends shall amount to no less than 10% of total dividends.

The Company shall continue providing for legal reserve until the balance equals its paid-up capital. Legal reserves can be taken to offset previous losses. The Company is permitted under Article 241 of the Company Act to distribute legal reserves that it had previously provided according to Article 145-1 of the Insurance

Act back to shareholders at the existing shareholding percentage, when the Company has no cumulative losses outstanding. To do so, the Company is required to present documentary proof of its financial position and seek permission from the competent authority before a shareholder meeting in the manners outlined in Letter Jin-Guan-Bao-Cai-Zi No. 10202501991 dated February 8, 2013.

Provision and reversal of special reserves are performed in accordance with Letter Jin-Guan-Bao-Cai-Zi No. 11004920441 and "Q&A on Special Reserves Treatment after adoption of the IFRSs" issued by the authority. If other contra equity items are reversed on a later date, the Company may distribute the amount of reversal back to shareholders.

The following are details of the 2023 and 2022 earnings appropriation resolved during annual general meetings held on June 25, 2024 and June 27, 2023, respectively:

	Earnings appropriation plan		Dividends per share (NT\$)	
	2023	2022	2023	2022
Legal reserve	\$ 142,149	\$ 108,526		
Special reserve (Note 1)	225,993	220,725		
Special reserve (Note 2)	(1,022)	(874)		
Special reserve (Note 3)	696	168		
Cash dividends	340,315	216,838	\$ 1.13	\$ 0.72

Earnings appropriation plan for 2024 was approved under Board of Directors resolution dated March 11, 2025, as follows:

	Earnings appropriation plan	Dividends per share (NT\$)
Legal reserve	\$ 206,717	
Special reserve (Note 1)	194,478	
Special reserve (Note 2)	(727)	
Special reserve (Note 3)	1,944	
Dividends	632,444	\$ 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\$225,993 thousand for 2023 and NT\$220,725 thousand for 2022 had been made accordingly and accounted for as of December 31, 2023 and 2022, respectively. Net provisions for 2024 were estimated at NT\$194,478 thousand.

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\$696 thousand for 2023 and NT\$168 thousand for 2022 had been accounted for as per regulation as at December 31, 2023 and 2022, respectively. Further, the net provision was NT\$1,944 thousand in 2024.

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

1. Details of special reserve made for first-time adoption of IFRSs:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Special reserve	<u>\$ 51,849</u>	<u>\$ 51,849</u>

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.

2. Change of special reserve balance in 2024 and 2023 is explained below:

	<u>Special claim reserve</u>	<u>Financial technology</u>	<u>Provision for the first-time adoption of IFRSs</u>	<u>Travel insurance</u>	<u>Total</u>
<u>2024</u>					
Opening balance	\$ 2,530,887	\$ 1,750	\$ 51,849	\$ 1,008	\$ 2,585,494
Current provisions	217,522		-	1,944	219,466
Reversals for the current period	(23,044)	(1,022)	-	-	(24,066)
Closing balance	<u>\$ 2,725,365</u>	<u>\$ 728</u>	<u>\$ 51,849</u>	<u>\$ 2,952</u>	<u>\$ 2,780,894</u>
<u>2023</u>					
Opening balance	\$ 2,304,894	\$ 2,624	\$ 51,849	\$ 312	\$ 2,359,679
Current provisions	258,240	-	-	696	258,936
Reversals for the current period	(32,247)	(874)	-	-	(33,121)
Closing balance	<u>\$ 2,530,887</u>	<u>\$ 1,750</u>	<u>\$ 51,849</u>	<u>\$ 1,008</u>	<u>\$ 2,585,494</u>

(4) Other equity items
Unrealized gains/losses on financial assets at fair value through other comprehensive income

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 357,141	\$ 285,953
Generated in the current period		
Unrealized gains		
Equity instrument	1,050	134,010
Debt instrument	(27,017)	9,106
Transfer of cumulative gains/losses to retained earnings following disposal of equity instrument	(98,546)	(71,928)
Closing balance	<u>\$ 232,628</u>	<u>\$ 357,141</u>

25. Net income

(1) Interest income

	<u>2024</u>	<u>2023</u>
Bank deposit	\$ 79,281	\$ 77,860
Financial Assets at Fair Value through Profit or Loss	7,978	7,398
Debt instruments at fair value through other comprehensive income	7,632	9,383
Financial assets carried at cost after amortization	82,528	53,923
Others	11,504	10,020
	<u>\$ 188,923</u>	<u>\$ 158,584</u>

(2) Employee benefit expenses

	<u>2024</u>			<u>2023</u>		
	<u>Presented as operating cost</u>	<u>Presented as operating expense</u>	<u>Total</u>	<u>Presented as operating cost</u>	<u>Presented as operating expense</u>	<u>Total</u>
Employee welfare expenses						
Salary	\$ 330,309	\$ 696,122	\$1,026,431	\$ 344,325	\$ 608,997	\$ 953,322
Labor/health insurance premium	-	66,945	66,945	-	66,110	66,110
Pension expense	-	26,474	26,474	-	26,883	26,883
Remuneration to Director	-	15,323	15,323	-	12,940	12,940
Other employee welfare expenses	-	19,347	19,347	-	19,346	19,346
	<u>\$ 330,309</u>	<u>\$ 824,211</u>	<u>\$1,154,520</u>	<u>\$ 344,325</u>	<u>\$ 734,276</u>	<u>\$1,078,601</u>

	<u>2024</u>	<u>2023</u>
Retirement benefit (Note 22)		
Defined contribution plan	\$ 23,219	\$ 22,324
Defined benefit plan	3,255	4,559
	<u>\$ 26,474</u>	<u>\$ 26,883</u>

As of December 31, 2024 and 2023, the Company employed a total of 856 employees in both years.

(3) 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. 2024 and 2023 employee/director remuneration were resolved in board of directors meetings dated March 11, 2025 and March 12, 2024, respectively. Details are as follows:

Estimated percentage

	<u>2024</u>	<u>2023</u>
Employee remuneration	1%	1%
Director remuneration	0.6%	0.6%

Amount

	<u>2024</u>		<u>2023</u>	
	<u>Cash</u>	<u>Shares</u>	<u>Cash</u>	<u>Shares</u>
Employee remuneration	\$ 10,972	\$ -	\$ 7,667	\$ -
Director remuneration	6,583	-	4,600	-

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.

The actual amounts of employee remuneration and director remuneration paid for years 2024 and 2023 were indifferent from the amounts recognized in the 2024 and 2023 financial statements.

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

(4) Depreciation and amortization

	<u>2024</u>	<u>2023</u>
Property, Plant and Equipment	\$ 20,349	\$ 23,465
Investment Property	6,227	6,121
Right-of-use asset	3,153	4,205
Intangible Assets	<u>14,472</u>	<u>16,357</u>
Total	<u>\$ 44,201</u>	<u>\$ 50,148</u>

Depreciation and amortization expenses by function

Depreciation (classified as operating costs)	\$ 6,227	\$ 6,121
Depreciation (classified as operating expenses)	23,502	27,670
Amortization (classified as operating expenses)	<u>14,472</u>	<u>16,357</u>
Total	<u>\$ 44,201</u>	<u>\$ 50,148</u>

(5)	Gain/loss on investment property		
		<u>2024</u>	<u>2023</u>
	Rental income	\$ 72,411	\$ 69,189
	Direct expenses associated with rental income	(14,289)	(13,905)
		<u>\$ 58,122</u>	<u>\$ 55,284</u>
(6)	Gain/loss on foreign exchange		
		<u>2024</u>	<u>2023</u>
	Total gain on foreign exchange	\$ 178,323	\$ 121,693
	Total (loss) on foreign exchange	(148,174)	(115,730)
	Net gain (loss)	<u>\$ 30,149</u>	<u>\$ 5,963</u>
	Total gain/loss on foreign exchange		
	Gain (loss) on exchange - investment (Note)	\$ 18,825	\$ 1,045
	Gain (loss) on exchange - non-investment	11,324	4,918
		<u>\$ 30,149</u>	<u>\$ 5,963</u>

Note: Derived from foreign currency time deposits.

26. Income tax

(1)	Income tax recognized in profit and loss		
	Main components of income tax expenses (gains):		
		<u>2024</u>	<u>2023</u>
	Current income tax		
	From current profit	\$ 168,371	\$ 130,714
	Adjustment of previous year figures	-	(131)
	Deferred income tax		
	From current profit	<u>7,957</u>	<u>(12,356)</u>
	Income tax expense recognized in profit and loss	<u>\$ 176,328</u>	<u>\$ 118,227</u>

Reconciliation of accounting income and income tax expense:

	<u>2024</u>	<u>2023</u>
Operating income before tax	<u>\$ 1,079,625</u>	<u>\$ 754,468</u>
Income tax expense calculated by applying statutory tax rate to pre-tax profit	\$ 215,925	\$ 150,894
Tax impact of non-deductible expenses and losses	1,267	-
Unrealized tax-exempt losses (benefits)	(12,039)	7,716
Expected credit impairment loss on investment	(1,555)	(351)
Tax-exempt income	(27,270)	(39,901)
Adjustments to income tax recognized in previous years	<u>-</u>	<u>(131)</u>
Income tax expense recognized in profit and loss	<u>\$ 176,328</u>	<u>\$ 118,227</u>

(2) Income tax expense (gain) recognized under other comprehensive income:

	<u>2024</u>	<u>2023</u>
<u>Deferred income tax</u>		
From current profit		
– Defined benefit plan remeasurement amount	<u>\$ 7,935</u>	<u>\$ 645</u>

(3) Current Income Tax Liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Income Tax Liabilities	<u>\$ 87,818</u>	<u>\$ 72,224</u>

(4) Deferred income tax assets and liabilities

Below are changes in deferred income tax assets and liabilities:

2024

	<u>Opening balance</u>	<u>Recognized through profit and loss</u>	<u>Recognized in other comprehensive income</u>	<u>Closing balance</u>
<u>Deferred Income Tax Assets</u>				
Assets carried at cost	\$ 5,674	\$ -	\$ -	\$ 5,674
Defined benefit plan	8,598	(1,201)	(7,935)	(538)
Payable compensation for unused leave	8	2	-	10
Unrealized loss on exchange	344	(344)	-	-
Loss provisions	7,896	243	-	8,139
	<u>\$ 22,520</u>	<u>(\$ 1,300)</u>	<u>(\$ 7,935)</u>	<u>\$ 13,285</u>
<u>Deferred income tax liabilities</u>				
Land value increment tax	\$ 92,934	\$ -	\$ -	\$ 92,934
Unrealized gain on foreign exchange	-	6,657	-	6,657
	<u>\$ 92,934</u>	<u>\$ 6,657</u>	<u>\$ -</u>	<u>\$ 99,591</u>

2023

	Opening balance	Recognized through profit and loss	Recognized in other comprehensive income	Closing balance
<u>Deferred Income Tax Assets</u>				
Assets carried at cost	\$ 5,674	\$ -	\$ -	\$ 5,674
Defined benefit plan	12,203	(2,960)	(645)	8,598
Payable compensation for unused leave	12	(4)	-	8
Unrealized loss on exchange	-	344	-	344
Loss provisions	8,277	(381)	-	7,896
	<u>\$ 26,166</u>	<u>(\$ 3,001)</u>	<u>(\$ 645)</u>	<u>\$ 22,520</u>
<u>Deferred income tax liabilities</u>				
Land value increment tax	\$ 92,934	\$ -	\$ -	\$ 92,934
Unrealized gain on foreign exchange	15,357	(15,357)	-	-
	<u>\$ 108,291</u>	<u>(\$ 15,357)</u>	<u>\$ -</u>	<u>\$ 92,934</u>

(5) Assessment of income tax return

The Company's profit-seeking enterprise income tax returns have been certified by the tax authority up until 2022. The certified amounts were indifferent from the amounts reported.

27. Earnings per share

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

Current net income

	<u>2024</u>	<u>2023</u>
Net income used for calculating earnings per share	<u>\$ 903,297</u>	<u>\$ 636,241</u>

Shares

	<u>2024</u>	Unit: thousand shares <u>2023</u>
Weighted average common shares used for calculating basic earnings per share	301,164	301,164
Dilutive effect of potential common shares:		
Employee remuneration	<u>301</u>	<u>292</u>
Weighted average common shares used for calculating diluted earnings per share	<u>301,465</u>	<u>301,456</u>

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

2024

	January 1, 2024	Cash flow	New leases	Changes without cash effect			December 31, 2024
				Lease modification	Amortization of interest expense	Others	
Lease liabilities	\$ 3,770	(\$ 3,150)	\$ 2,430	(\$ 66)	\$ 96	(\$ 96)	\$ 2,984

2023

	January 1, 2023	Cash flow	New leases	Changes without cash effect			December 31, 2023
				Lease modification	Amortization of interest expense	Others	
Lease liabilities	\$ 5,128	(\$ 4,148)	\$ 3,729	(\$ 939)	\$ 164	(\$ 164)	\$ 3,770

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 December 31, 2024, 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
December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value through Profit or Loss</u>				
Locally Listed Stocks	\$ 396,645	\$ -	\$ -	\$ 396,645
Fund beneficiary certificates	918,768	-	-	918,768
Real Estate Investment Trust	151,560	-	-	151,560
Domestic bank debentures	-	-	149,019	149,019
Total	<u>\$ 1,466,973</u>	<u>\$ -</u>	<u>\$ 149,019</u>	<u>\$ 1,615,992</u>

Financial assets at fair value through other comprehensive income

Locally Listed Stocks	\$ 1,561,100	\$ -	\$ -	\$ 1,561,100
Domestic unlisted shares	-	-	1,162,374	1,162,374
Domestic Government Bonds	<u>53,753</u>	<u>-</u>	<u>-</u>	<u>53,753</u>
Total	<u>\$ 1,614,853</u>	<u>\$ -</u>	<u>\$ 1,162,374</u>	<u>\$ 2,777,227</u>

Guarantee deposits paid

Domestic Government Bonds	<u>\$ 463,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 463,145</u>
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December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at Fair Value through Profit or Loss</u>				
Locally Listed Stocks	\$ 314,982	\$ -	\$ -	\$ 314,982
Fund beneficiary certificates	1,467,578	-	-	1,467,578
Real Estate Investment Trust	163,692	-	-	163,692
Domestic bank debentures	-	-	49,506	49,506
Total	<u>\$ 1,946,252</u>	<u>\$ -</u>	<u>\$ 49,506</u>	<u>\$ 1,995,758</u>

Financial assets at fair value through other comprehensive income

Locally Listed Stocks	\$ 1,236,762	\$ -	\$ -	\$ 1,236,762
Domestic unlisted shares	-	-	1,163,390	1,163,390
Domestic Government Bonds	<u>257,657</u>	<u>-</u>	<u>-</u>	<u>257,657</u>
Total	<u>\$ 1,494,419</u>	<u>\$ -</u>	<u>\$ 1,163,390</u>	<u>\$ 2,657,809</u>

Guarantee deposits paid

Domestic Government Bonds	<u>\$ 489,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 489,765</u>
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In periods 2024 and 2023, 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
2024

Financial assets	Measured at	Financial	Total
	fair value through profit and loss	assets at fair value through other comprehensive income	
	Debt instrument	Equity instrument	
Opening balance	\$ 49,506	\$ 1,163,390	\$ 1,212,896
Recognized through profit and loss (gain/loss on financial assets or liabilities at fair value through profit and loss)	(487)	-	(487)
Recognized through other comprehensive income (gain/loss on valuation of equity instruments at fair value through other comprehensive income)	-	(1,016)	(1,016)
Purchase	100,000	-	100,000
Closing balance	<u>\$ 149,019</u>	<u>\$ 1,162,374</u>	<u>\$ 1,311,393</u>
Unrealized Gains (Losses) at the End of the Period	<u>(\$ 981)</u>	<u>\$ 472,568</u>	<u>\$ 471,587</u>

2023

Financial assets	Measured at fair	Financial assets at	Total
	value through profit and loss	fair value through other comprehensive income	
	Debt instrument	Equity instrument	
Opening balance	\$ 48,941	\$ 1,189,077	\$ 1,238,018
Recognized through profit and loss (gain/loss on financial assets or liabilities at fair value through profit and loss)	565	-	565
Recognized through other comprehensive income (gain/loss on valuation of equity instruments at fair value through other comprehensive income)	-	(25,687)	(25,687)
Closing balance	<u>\$ 49,506</u>	<u>\$ 1,163,390</u>	<u>\$ 1,212,896</u>
Unrealized Gains (Losses) at the End of the Period	<u>(\$ 494)</u>	<u>\$ 473,584</u>	<u>\$ 473,090</u>

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Measured at fair value through profit and loss		
Mandatory at fair value throughout profit and loss	\$ 1,615,992	\$ 1,995,758
Loans and receivables (Note 1)	650,753	417,258
Financial assets carried at cost after amortization (Note 2)	10,546,442	9,521,842
Financial assets at fair value through other comprehensive income		
Investment in equity instruments	2,723,474	2,400,152
Investment in debt instruments (Note 3)	516,898	747,422
<u>Financial liabilities</u>		
Carried at cost after amortization (Note 4)	481,041	506,421

Note 1: The balance includes loans and receivables carried at cost after amortization, such as claims recoverable from reinsurers and reinsurance accounts receivable.

Note 2: Balance includes cash and cash equivalents, notes receivable, premiums receivable, other receivables, investment in debt instruments carried at cost after amortization, other financial assets and refundable deposits (excluding insurance industry guarantee bond in the form of securities), and financial assets carried at cost after amortization.

Note 3: 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 4: Balance includes notes payable, commission payable, insurance claims and benefits payable, reinsurance account payable, other payables (excluding salary, bonus, tax payable, pension payable and leave encashment 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 December 31, 2024 and 2023, the Company had about 2.93% and 1.72% 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 December 31, 2024		
	Foreign currency	Exchange rate	TWD (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
Bank deposit and notes receivable			
USD	\$ 8,421	32.785	\$ 276,084
EUR	27	34.140	929
CNY (RMB)	31	4.478	141
GBP	66	41.190	2,727
HKD	586	4.222	2,472
JPY	21	0.210	4
Other financial assets			
USD	9,000	32.785	295,065

December 31, 2023			
	Foreign currency	Exchange rate	TWD (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
Bank deposit			
USD	\$ 2,798	30.705	\$ 85,909
EUR	37	33.980	1,245
CNY (RMB)	27	4.327	119
GBP	71	39.150	2,772
HKD	628	3.929	2,468
JPY	21	0.217	5
Other financial assets			
USD	7,800	30.705	239,499

Unrealized foreign currency gain/loss of material impact:

Foreign currency	December 31, 2024		December 31, 2023	
	Exchange rate	Unrealized net gain (loss) on exchange	Exchange rate	Unrealized net gain (loss) on exchange
USD	1:32.785 (USD:TWD)	<u>\$ 33,073</u>	1:30.705 (USD:TWD)	<u>(\$ 1,854)</u>

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 decrease/increase 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.

	2024	2023
Gain (loss) on USD	(\$ 5,711)	(\$ 3,254)

(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:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Risk of cash flow changes due to interest rate		
– Financial assets	\$ 1,268,077	\$ 652,799
Risk of fair value changes due to interest rate		
– Financial assets	665,917	796,928
– Financial liabilities	2,984	3,770

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 2024 and 2023 pre-tax profit and equity would increase/decrease by NT\$127 thousand and NT\$65 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 2024 and 2023 would decrease/increase by NT\$319 thousand and NT\$13 thousand, respectively, due to fair value change in bond investments; meanwhile, other comprehensive income (pre-tax) and equity for 2024 and 2023 would decrease/increase by NT\$722 thousand and NT\$821 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 beneficiary 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 prices increased/decreased by 1%, pre-tax profit or loss and shareholders' equity for 2024 and 2023 would increase/decrease by NT\$14,670 thousand and NT\$19,463 thousand, respectively, due to changes in the fair value of financial assets carried at fair value through profit and loss. Meanwhile, other comprehensive income (pre-tax) and shareholders' equity for 2024 and 2023 would increase/decrease by NT\$27,235 thousand and NT\$24,002 thousand, respectively, due to changes in the fair value of equity instruments measured 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: December 31, 2024

Unit: NTD thousand

Risk factors	Variation	Portfolio gains/losses
Price risk - at fair value through profit and loss	Down 10%	(\$ 146,697)
Price risk - at fair value through other comprehensive income	Down 10%	(272,347)
Risk of fair value changes due to interest rate	A 100bps increase in the yield curve	(104,124)
Exchange rate risk - other financial assets	1% strengthening of NTD against all foreign currencies	(5,774)

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: December 31, 2024

Unit: NTD thousand

Financial assets	Taiwan	Asia	America	Europe	Others	Total
Cash and cash equivalents	\$ 2,293,568	\$ -	\$ -	\$ -	\$ -	\$ 2,293,568
Financial assets (real property investment trusts and debt instruments) at fair value through profit and loss	300,579	-	-	-	-	300,579
Financial assets (debt instrument) at fair value through other comprehensive income (Note)	516,898	-	-	-	-	516,898
Financial assets carried at cost after amortization	3,697,479	-	-	-	-	3,697,479
Other financial assets (time deposit)	4,185,665	-	-	-	-	4,185,665
Total	10,994,189	-	-	-	-	10,994,189
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.

Financial assets	I	II	III	Total
Financial assets (debt instrument) at fair value through other comprehensive income (Note)	\$ 516,898	\$ -	\$ -	\$ 516,898
Financial assets carried at cost after amortization	3,697,479	-	-	3,697,479
Total	\$ 4,214,377	\$ -	\$ -	\$ 4,214,377

Note: includes debt instruments placed as guarantee deposit.

Expected credit loss rates for the abovementioned Class I financial assets are 0.0250% ~ 1.9652%.

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 in 2024:

	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
<u>Investment in debt instruments</u>						
Opening balance	\$ 20,651	\$ -	\$ -	\$ 20,651	\$ -	\$ 20,651
Variation	(7,775)	-	-	(7,775)	-	(7,775)
Closing balance	<u>\$ 12,876</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,876</u>	<u>\$ -</u>	<u>\$ 12,876</u>
<u>Receivables</u>						
Opening balance	\$ 7,410	\$ -	\$ -	\$ 7,410	\$ 38,673	\$ 46,083
Variation	(720)	-	-	(720)	4,653	3,933
Closing balance	<u>\$ 6,690</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,690</u>	<u>\$ 43,326</u>	<u>\$ 50,016</u>

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, insurance claims payable, commissions payable, reinsurance account 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.

December 31, 2024

	Repayable upon demand or within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 years and above
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Non-interest bearing liabilities	\$ 219,845	\$ 64,246	\$ 180,718	\$ 16,232	\$ -
Lease liabilities	-	605	1,213	1,265	-
	<u>\$ 219,845</u>	<u>\$ 64,851</u>	<u>\$ 181,931</u>	<u>\$ 17,497</u>	<u>\$ -</u>

December 31, 2023

	Repayable upon demand or within 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 years and above
<u>Non-derivative</u>					
<u>financial liabilities</u>					
Non-interest bearing liabilities	\$ 224,657	\$ 84,772	\$ 214,364	\$ 15,184	\$ -
Lease liabilities	-	820	2,063	969	-
	<u>\$ 224,657</u>	<u>\$ 85,592</u>	<u>\$ 216,427</u>	<u>\$ 16,153</u>	<u>\$ -</u>

31. Related party transactions

(1) Name and relationship of related parties

<u>Name of related party</u>	<u>Relationship with the Company</u>
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
Pao Shan Construction Co., Ltd.	Other related parties
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
Yiguang Enterprise Development Co., Ltd.	Other related parties
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
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. Premium revenues

<u>Type of related party</u>	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 4,868</u>	<u>\$ 4,915</u>

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

2. Insurance claims paid		
<u>Type of related party</u>	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 567</u>	<u>\$ 89</u>

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

3. Rental expense		
<u>Type of related party</u>	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 12</u>	<u>\$ 6</u>

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

4. Selling expenses		
<u>Type of related party</u>	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 4,559</u>	<u>\$ 4,402</u>

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

5. Premiums receivable		
<u>Type of related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Other related parties	<u>\$ 117</u>	<u>\$ 225</u>

The above amounts receivable from related parties were not subject to bad debt provision, based on the Company's assessment.

(3) Remuneration to the executive management

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	\$ 60,494	\$ 54,135
Retirement benefits	<u>2,176</u>	<u>2,738</u>
	<u>\$ 62,670</u>	<u>\$ 56,873</u>

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 December 31, 2024 and 2023, the Company had the following expenses that were contracted but unpaid:

<u>Types of unrecognized contractual commitments</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Project consultancy and system installation fees	<u>\$ 39,411</u>	<u>\$ 41,195</u>
Expenses other than those for the project consultation and system installation	<u>\$ 565</u>	<u>\$ -</u>

(2) Contingent liabilities

As of December 31, 2024, the Company had unresolved major lawsuits concerning its insurance business. After evaluating the possibility of losses, the Company considered it most likely to incur claims totaling NT\$31,231 thousand, of which NT\$22,046 thousand had been ceded to reinsurers. However, these cases are still being reviewed by the court and there exist uncertainties that may increase claims above the estimated amount.

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:

Board of Directors

- (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.

Risk Management Committee

- (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. Please refer to Note 37(9) for retention limits of each insurance category.

(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

(1) Insurance contract receivables and payables:

Receivables

	<u>December 31, 2024</u>		
<u>Insurance category</u>	<u>Notes receivable</u>	<u>Premiums receivable</u>	<u>Total</u>
Fire Insurance	\$ 9,344	\$ 59,358	\$ 68,702
Marine insurance	24,064	34,125	58,189
Automobile Insurance	87,147	34,619	121,766
Engineering/ liability insurance	715	3,569	4,284
Other insurance	<u>3,808</u>	<u>20,892</u>	<u>24,700</u>
	125,078	152,563	277,641
Less: loss provisions	(<u>3,412</u>)	(<u>37,069</u>)	(<u>40,481</u>)
Net amount	<u>\$ 121,666</u>	<u>\$ 115,494</u>	<u>\$ 237,160</u>

	<u>December 31, 2023</u>		
<u>Insurance category</u>	<u>Notes receivable</u>	<u>Premiums receivable</u>	<u>Total</u>
Fire Insurance	\$ 10,922	\$ 5,448	\$ 16,370
Marine insurance	25,382	32,206	57,588
Automobile Insurance	131,671	14,369	146,040
Engineering/ liability insurance	1,414	3,024	4,438
Other insurance	<u>6,251</u>	<u>8,823</u>	<u>15,074</u>
	175,640	63,870	239,510
Less: loss provisions	(<u>4,687</u>)	(<u>33,615</u>)	(<u>38,302</u>)
Net amount	<u>\$ 170,953</u>	<u>\$ 30,255</u>	<u>\$ 201,208</u>

Commission payable

<u>Insurance category</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fire Insurance	\$ 21,529	\$ 17,664
Marine insurance	9,099	9,006
Automobile Insurance	64,011	54,549
Engineering/ liability insurance	1,803	1,390
Other insurance	<u>18,564</u>	<u>13,694</u>
Total	<u>\$ 115,006</u>	<u>\$ 96,303</u>

Reinsurance accounts receivable (payable) - retained reinsurance

	<u>December 31, 2024</u>	
	<u>Reinsurance accounts receivable</u>	<u>Reinsurance accounts payable</u>
GUY	\$ 139,236	\$ 10,927
CRC	106,920	70,865
LOC	84,864	551
GUR	48,638	4,257
CMP	29,732	59,091
TRI	3,186	18,677
TOH	5	23,709
HWW	-	17,664
Others	101,888	77,959
Less: loss provisions	(2,932)	-
Net amount	<u>\$ 511,537</u>	<u>\$ 283,700</u>

	<u>December 31, 2023</u>	
	<u>Reinsurance accounts receivable</u>	<u>Reinsurance accounts payable</u>
AJG	\$ 80,932	\$ 19,779
FOH	44,918	14,721
CMP	27,100	60,628
LIA	17,775	4,790
CRC	15,320	81,924
ERI	13,750	2,802
TRI	1,303	18,790
TOH	685	23,779
COR	-	25,022
Others	46,047	60,824
Less: loss provisions	(2,490)	-
Net amount	<u>\$ 245,340</u>	<u>\$ 313,059</u>

(2) Unearned premium reserve

1. Details of unearned premium reserve:

<u>Insurance category</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
One-year commercial fire insurance	\$ 251,299	\$ 236,196
General automobile hull insurance for private vehicle	1,167,435	1,228,179
General liabilities insurance for private vehicle	1,195,798	1,162,055
Mandatory automobile liabilities insurance for private vehicle	254,399	270,531
Personal accident insurance	301,075	299,891
Other insurance	<u>1,328,211</u>	<u>1,227,885</u>
	<u>\$ 4,498,217</u>	<u>\$ 4,424,737</u>

Due to the extensive range of insurance categories involved, those balance exceeding 5% of the balance under this category are listed as above separately.

2. Details of retained unearned premium reserve:

December 31, 2024				
Insurance category	Unearned premium reserve		Ceded unearned premium reserve	
	Direct insurance (1)	Assumed reinsurance (2)	Ceded reinsurance (Note) (3)	Retained insurance (4)=(1)+(2)-(3)
Fire Insurance	\$ 611,943	\$ 26,617	\$ 258,946	\$ 379,614
Marine insurance Automobile Insurance	77,580	621	27,750	50,451
Engineering/ liability insurance	2,706,831	154,373	330,698	2,530,506
Accident/ health insurance	331,362	44,942	158,108	218,196
Other insurance	309,884	2,242	86,056	226,070
	<u>227,632</u>	<u>4,190</u>	<u>123,834</u>	<u>107,988</u>
	<u>\$ 4,265,232</u>	<u>\$ 232,985</u>	<u>\$ 985,392</u>	<u>\$ 3,512,825</u>

December 31, 2023				
Insurance category	Unearned premium reserve		Ceded unearned premium reserve	
	Direct insurance (1)	Assumed reinsurance (2)	Ceded reinsurance (Note) (3)	Retained insurance (4)=(1)+(2)-(3)
Fire Insurance	\$ 574,402	\$ 25,951	\$ 262,261	\$ 338,092
Marine insurance Automobile Insurance	78,053	1,085	30,440	48,698
Engineering/ liability insurance	2,793,438	151,127	436,004	2,508,561
Accident/ health insurance	289,398	36,742	143,047	183,093
Other insurance	299,372	2,709	79,056	223,025
	<u>166,690</u>	<u>5,770</u>	<u>84,846</u>	<u>87,614</u>
	<u>\$ 4,201,353</u>	<u>\$ 223,384</u>	<u>\$ 1,035,654</u>	<u>\$ 3,389,083</u>

Note: Presented as reinsurance contract assets.

3. Changes in unearned premium reserve and ceded unearned reserve

Item	2024	
	Unearned premium reserve	Ceded unearned premium reserve
Opening amount	\$ 4,424,737	\$ 1,035,654
Provisions in the current period	4,498,217	985,392
Recoveries in the current period	(4,424,737)	(1,035,654)
Closing amount	<u>\$ 4,498,217</u>	<u>\$ 985,392</u>

<u>Item</u>	2023	
	<u>Unearned premium reserve</u>	<u>Ceded unearned premium reserve</u>
Opening amount	\$ 4,145,536	\$ 971,374
Provisions in the current period	4,424,737	1,035,654
Recoveries in the current period	(4,145,536)	(971,374)
Closing amount	<u>\$ 4,424,737</u>	<u>\$ 1,035,654</u>

(3) Claim reserve

1. Details of claim reserve:

<u>Insurance category</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
One-year commercial fire insurance	\$ 605,283	\$ 1,139,904
General automobile hull insurance for private vehicle	345,356	384,390
General liabilities insurance for private vehicle	1,044,011	988,989
Mandatory automobile liabilities insurance for private vehicle	376,885	399,527
Mandatory liabilities insurance for motorcycle	164,455	175,256
General liabilities insurance	231,110	253,079
Commercial earthquake insurance	266,929	6,398
Other insurance	757,481	542,341
	<u>\$ 3,791,510</u>	<u>\$ 3,889,884</u>

Due to the extensive range of insurance categories involved, those balance exceeding 5% of the balance under this category are listed as above separately.

2. Details of retained claim reserve:

Insurance category	December 31, 2024			
	Claim reserve		Ceded claim reserve	Retained insurance (4)=(1)+(2)-(3)
	Direct underwritten insurance (1)	Assumed reinsurance (2)	Ceded reinsurance (Note) (3)	
<u>Reported but not paid</u>				
Fire Insurance	\$ 879,590	\$ 5,058	\$ 410,502	\$ 474,146
Marine insurance	148,116	-	75,918	72,198
Automobile Insurance	1,184,247	53,642	137,048	1,100,841
Engineering/ liability insurance	266,351	7,618	133,171	140,798
Accident/ health insurance	30,600	-	9,129	21,471
Other insurance	<u>172,274</u>	<u>378</u>	<u>34,326</u>	<u>138,326</u>
	<u>2,681,178</u>	<u>66,696</u>	<u>800,094</u>	<u>1,947,780</u>
<u>Not reported</u>				
Fire Insurance	9,012	1,458	-	10,470
Marine insurance	9,820	-	4,811	5,009
Automobile Insurance	663,782	145,940	212,515	597,207
Engineering/ liability insurance	48,975	1,725	13,782	36,918
Accident/ health insurance	142,696	-	46,456	96,240
Other insurance	<u>20,148</u>	<u>80</u>	<u>9,830</u>	<u>10,398</u>
	<u>894,433</u>	<u>149,203</u>	<u>287,394</u>	<u>756,242</u>
	<u>\$ 3,575,611</u>	<u>\$ 215,899</u>	<u>\$ 1,087,488</u>	<u>\$ 2,704,022</u>

December 31, 2023

Insurance category	Claim reserve		Ceded claim reserve	
	Direct underwritten insurance	Assumed reinsurance	Ceded reinsurance (Note)	Retained insurance
	(1)	(2)	(3)	(4)=(1)+(2)-(3)
<u>Reported but not paid</u>				
Fire Insurance	\$ 1,156,634	\$ 687	\$ 858,772	\$ 298,549
Marine insurance	45,702	-	21,078	24,624
Automobile Insurance	1,256,829	51,422	176,042	1,132,209
Engineering/ liability insurance	265,491	5,303	126,320	144,474
Accident/ health insurance	20,396	-	6,414	13,982
Other insurance	30,297	290	12,866	17,721
	<u>2,775,349</u>	<u>57,702</u>	<u>1,201,492</u>	<u>1,631,559</u>
<u>Not reported</u>				
Fire Insurance	4,675	192	-	4,867
Marine insurance	44,214	-	27,770	16,444
Automobile Insurance	654,702	144,077	225,675	573,104
Engineering/ liability insurance	54,613	1,302	17,600	38,315
Accident/ health insurance	139,189	-	46,789	92,400
Other insurance	13,752	117	5,168	8,701
	<u>911,145</u>	<u>145,688</u>	<u>323,002</u>	<u>733,831</u>
	<u>\$ 3,686,494</u>	<u>\$ 203,390</u>	<u>\$ 1,524,494</u>	<u>\$ 2,365,390</u>

Note: Presented as reinsurance contract assets.

3. Net change in claim reserves and net change in ceded claim reserves

Insurance category	2024							
	Direct underwritten insurance		Assumed reinsurance		Net change in claim reserves (5)=(1)-(2)	Ceded reinsurance		Net change in ceded claim reserve
	Provisions (1)	Recoveries (2)	Provisions (3)	Recoveries (4)	+(3)-(4)	Provisions (6)	Recoveries (7)	(8)=(6)-(7)
<u>Reported but not paid</u>								
Fire Insurance	\$ 879,590	\$ 1,156,634	\$ 5,058	\$ 687	(\$ 272,673)	\$ 410,502	\$ 858,772	(\$ 448,270)
Marine insurance	148,116	45,702	-	-	102,414	75,918	21,078	54,840
Automobile Insurance	1,184,247	1,256,829	53,642	51,422	(70,362)	137,048	176,042	(38,994)
Engineering/ liability insurance	266,351	265,491	7,618	5,303	3,175	133,171	126,320	6,851
Accident/ health insurance	30,600	20,396	-	-	10,204	9,129	6,414	2,715
Other insurance	172,274	30,297	378	290	142,065	34,326	12,866	21,460
	<u>2,681,178</u>	<u>2,775,349</u>	<u>66,696</u>	<u>57,702</u>	<u>(85,177)</u>	<u>800,094</u>	<u>1,201,492</u>	<u>(401,398)</u>
<u>Not reported</u>								
Fire Insurance	9,012	4,675	1,458	192	5,603	-	-	-
Marine insurance	9,820	44,214	-	-	(34,394)	4,811	27,770	(22,959)
Automobile Insurance	663,782	654,702	145,940	144,077	10,943	212,515	225,675	(13,160)
Engineering/ liability insurance	48,975	54,613	1,725	1,302	(5,215)	13,782	17,600	(3,818)
Accident/ health insurance	142,696	139,189	-	-	3,507	46,456	46,789	(333)
Other insurance	20,148	13,752	80	117	6,359	9,830	5,168	4,662
	<u>894,433</u>	<u>911,145</u>	<u>149,203</u>	<u>145,688</u>	<u>(13,197)</u>	<u>287,394</u>	<u>323,002</u>	<u>(35,608)</u>
	<u>\$ 3,575,611</u>	<u>\$ 3,686,494</u>	<u>\$ 215,899</u>	<u>\$ 203,390</u>	<u>(\$ 98,374)</u>	<u>\$ 1,087,488</u>	<u>\$ 1,524,494</u>	<u>(\$ 437,006)</u>

Insurance category	2023							
	Direct underwritten insurance		Assumed reinsurance		Net change in claim reserves (5)=(1)-(2)	Ceded reinsurance		Net change in ceded claim reserve
	Provisions (1)	Recoveries (2)	Provisions (3)	Recoveries (4)	+(3)-(4)	Provisions (6)	Recoveries (7)	(8)=(6)-(7)
<u>Reported but not paid</u>								
Fire Insurance	\$ 1,156,634	\$ 743,436	\$ 687	\$ -	\$ 413,885	\$ 858,772	\$ 489,984	\$ 368,788
Marine insurance	45,702	47,019	-	-	(1,317)	21,078	6,885	14,193
Automobile Insurance	1,256,829	1,055,613	51,422	52,244	200,394	176,042	147,290	28,752
Engineering/liability insurance	265,491	284,766	5,303	4,424	(18,396)	126,320	126,339	(19)
Accident/health insurance	20,396	34,414	-	-	(14,018)	6,414	9,680	(3,266)
Other insurance	30,297	25,893	290	165	4,529	12,866	12,343	523
	<u>2,775,349</u>	<u>2,191,141</u>	<u>57,702</u>	<u>56,833</u>	<u>585,077</u>	<u>1,201,492</u>	<u>792,521</u>	<u>408,971</u>
<u>Not reported</u>								
Fire Insurance	4,675	3,776	192	-	1,091	-	-	-
Marine insurance	44,214	8,551	-	-	35,663	27,770	1,438	26,332
Automobile Insurance	654,702	612,328	144,077	141,884	44,567	225,675	202,023	23,652
Engineering/liability insurance	54,613	43,589	1,302	1,307	11,019	17,600	10,826	6,774
Accident/health insurance	139,189	121,349	-	-	17,840	46,789	32,340	14,449
Other insurance	13,752	17,237	117	99	(3,467)	5,168	5,799	(631)
	<u>911,145</u>	<u>806,830</u>	<u>145,688</u>	<u>143,290</u>	<u>106,713</u>	<u>323,002</u>	<u>252,426</u>	<u>70,576</u>
	<u>\$ 3,686,494</u>	<u>\$ 2,997,971</u>	<u>\$ 203,390</u>	<u>\$ 200,123</u>	<u>\$ 691,790</u>	<u>\$ 1,524,494</u>	<u>\$ 1,044,947</u>	<u>\$ 479,547</u>

Changes in claim reserves and ceded claim reserves:

Item	2024	
	Claim reserve	Ceded claim reserve
Opening amount	\$ 3,889,884	\$ 1,524,494
Provisions in the current period	3,791,510	1,087,488
Recoveries in the current period	(3,889,884)	(1,524,494)
Closing amount	<u>\$ 3,791,510</u>	<u>\$ 1,087,488</u>
Item	2023	
	Claim reserve	Ceded claim reserve
Opening amount	\$ 3,198,094	\$ 1,044,947
Provisions in the current period	3,889,884	1,524,494
Recoveries in the current period	(3,198,094)	(1,044,947)
Closing amount	<u>\$ 3,889,884</u>	<u>\$ 1,524,494</u>

(4) Special claim reserve

1. Details of special claim reserve:

Nature	Insurance category	December 31, 2024	December 31, 2023
Major incident	Commercial earthquake insurance	\$ 71,030	\$ 74,976
	Typhoon and flood insurance	<u>49,741</u>	<u>52,504</u>
		<u>120,771</u>	<u>127,480</u>
Change of risk	Mandatory automobile liabilities insurance for private vehicle	237,613	207,199
	Mandatory automobile liabilities insurance for commercial vehicle	(63,188)	(63,978)
	Mandatory liabilities insurance for motorcycle	576,168	545,604
	Nuclear risks insurance	74,687	74,687
	Commercial earthquake insurance	456,111	587,411
	Typhoon and flood insurance	116,594	184,082
	Government-sponsored earthquake insurance policy	197,532	197,532
	Mandatory micro liabilities insurance for electric bikes	<u>218</u>	<u>419</u>
		<u>1,595,735</u>	<u>1,732,956</u>
	<u>\$ 1,716,506</u>	<u>\$ 1,860,436</u>	

2. Details of special claim reserve - mandatory automobile/motorcycle liabilities insurance:

Item	2024	2023
Opening amount	\$ 689,244	\$ 648,962
Provisions in the current period	61,867	40,282
Recoveries in the current period	(<u>300</u>)	<u>-</u>
Closing amount	<u>\$ 750,811</u>	<u>\$ 689,244</u>

3. Special claim reserve - voluntary automobile/motorcycle liabilities insurance

Item	2024			2023		
	Special claim reserve liability			Special reserve		
	Major incident	Change of risk	Total	Major incident	Change of risk	Total
Opening amount	\$ 127,480	\$ 1,043,712	\$ 1,171,192	\$ 873,115	\$ 1,657,772	\$ 2,530,887
Provisions in the current period	-	-	-	91,747	125,775	217,522
Recoveries in the current period	(<u>6,709</u>)	(<u>198,788</u>)	(<u>205,497</u>)	-	(<u>23,044</u>)	(<u>23,044</u>)
Closing amount	<u>\$ 120,771</u>	<u>\$ 844,924</u>	<u>\$ 965,695</u>	<u>\$ 964,862</u>	<u>\$ 1,760,503</u>	<u>\$ 2,725,365</u>

Item	2023					
	Special claim reserve liability			Special reserve		
	Major incident	Change of risk	Total	Major incident	Change of risk	Total
Opening amount	\$ 134,189	\$ 1,043,712	\$ 1,177,901	\$ 789,968	\$ 1,514,926	\$ 2,304,894
Provisions in the current period	-	-	-	83,147	175,093	258,240
Recoveries in the current period	(6,709)	-	(6,709)	-	(32,247)	(32,247)
Closing amount	<u>\$ 127,480</u>	<u>\$ 1,043,712</u>	<u>\$ 1,171,192</u>	<u>\$ 873,115</u>	<u>\$ 1,657,772</u>	<u>\$ 2,530,887</u>

Note 1: "Notes on Major Disaster Reserve Enhancement for Non-life Insurance Companies" issued by the competent authority in Jin-Guan-Bao-Cai-Zi No. 11101405951 dated June 30, 2022 permitted the reclassification of special claim reserves for major incidents to special claim reserves for change of risk. The Company had yet to make full provision of special claim reserves for commercial earthquake and typhoon/flood insurance at that time. It was therefore unable to reclassify balances to special reserves.

Note 2: If the Company had not adopted "Notes on Major Disaster Reserve Enhancement, Notes on Residential Earthquake Coinsurance Members' Reserves, and Rules on Nuclear Risks Insurance Reserves for Non-life Insurance Companies", the amount of insurance liability - special claim reserve would have decreased by NT\$772,556 thousand (net of NT\$193,139 thousand tax impact) against an increase in special reserve of the same amount as of December 31, 2024; meanwhile, net income for the period from January 1 to December 31, 2024 would have fallen by NT\$164,398 thousand and earnings per share would have reduced by NT\$0.55.

(5) Deficiency reserve

Details of deficiency reserve:

Insurance category	December 31, 2024			
	Deficiency reserve		Deficiency reserve for ceded coverage	
	Direct insurance (1)	Assumed reinsurance (2)	Ceded reinsurance (Note) (3)	Retained insurance (4)=(1)+(2)-(3)
Aviation Insurance	\$ 1,998	\$ -	\$ -	\$ 1,998
Engineering insurance	2,875	4,715	-	7,590
Commercial earthquake insurance	149	6	-	155
Health Insurance	88	-	-	88
	<u>\$ 5,110</u>	<u>\$ 4,721</u>	<u>\$ -</u>	<u>\$ 9,831</u>

Note: Deficiency reserve for ceded coverage is presented under reinsurance contract assets.

(6) Retained earned premium revenue

The following shows the amount and calculation of retained earned gross premiums for the Company's mandatory and voluntary automobile liabilities insurance in 2024:

Insurance category	Premium revenues (1)	Reinsurance Premium (2)	Reinsurance premiums expense (3)	Retained premium (4)=(1)+(2)-(3)
Mandatory automobile liabilities insurance	\$ 749,793	\$ 273,874	\$ 309,924	\$ 713,743
Voluntary automobile liabilities insurance	<u>8,191,536</u>	<u>163,975</u>	<u>1,939,443</u>	<u>6,416,068</u>
	<u>\$ 8,941,329</u>	<u>\$ 437,849</u>	<u>\$ 2,249,367</u>	<u>\$ 7,129,811</u>

For the voluntary automobile liabilities insurance, a sum of NT\$15,615 thousand was contributed to the stabilization fund using applicable percentages in 2024.

Insurance category	Direct written insurance unearned premium reserve		Assumed reinsurance unearned premium reserve		Net change in unearned premium reserve (9)=(5)-(6) +(7)-(8)
	Provisions (5)	Recoveries (6)	Provisions (7)	Recoveries (8)	
Mandatory automobile liabilities insurance	\$ 287,423	\$ 317,377	\$ 154,374	\$ 151,127	(\$ 26,707)
Voluntary automobile liabilities insurance	<u>3,977,809</u>	<u>3,883,976</u>	<u>78,611</u>	<u>72,257</u>	<u>100,187</u>
	<u>\$ 4,265,232</u>	<u>\$ 4,201,353</u>	<u>\$ 232,985</u>	<u>\$ 223,384</u>	<u>\$ 73,480</u>

Item	Ceded reinsurance unearned premium reserve		Net change in ceded unearned premium reserve (12)=(10)-(11)	Retained earned gross premium (13)=(4)-(9)+(12)
	Provisions (10)	Recoveries (11)		
Mandatory automobile liabilities insurance	\$ 172,473	\$ 190,445	(\$ 17,972)	\$ 722,478
Voluntary automobile liabilities insurance	<u>812,919</u>	<u>845,209</u>	<u>(32,290)</u>	<u>6,283,591</u>
	<u>\$ 985,392</u>	<u>\$ 1,035,654</u>	<u>(\$ 50,262)</u>	<u>\$ 7,006,069</u>

The following shows the amount and calculation of retained earned gross premiums for the Company's mandatory and voluntary automobile liabilities insurance in 2023:

Insurance category	Premium revenues (1)	Reinsurance Premium (2)	Reinsurance premiums expense (3)	Retained premium (4)=(1)+(2)-(3)
Mandatory automobile liabilities insurance	\$ 826,589	\$ 267,852	\$ 344,780	\$ 749,661
Voluntary automobile liabilities insurance	<u>7,808,673</u>	<u>157,099</u>	<u>1,850,039</u>	<u>6,115,733</u>
	<u>\$ 8,635,262</u>	<u>\$ 424,951</u>	<u>\$ 2,194,819</u>	<u>\$ 6,865,394</u>

For the voluntary automobile liabilities insurance, a sum of NT\$15,617 thousand was contributed to the stabilization fund using applicable percentages in 2023.

Insurance category	Direct written insurance unearned premium reserve		Assumed reinsurance unearned premium reserve		Net change in unearned premium reserve (9)=(5)-(6) +(7)-(8)
	Provisions (5)	Recoveries (6)	Provisions (7)	Recoveries (8)	
Mandatory automobile liabilities insurance	\$ 317,377	\$ 317,645	\$ 151,127	\$ 150,591	\$ 268
Voluntary automobile liabilities insurance	<u>3,883,976</u>	<u>3,600,719</u>	<u>72,257</u>	<u>76,581</u>	<u>278,933</u>
	<u>\$ 4,201,353</u>	<u>\$ 3,918,364</u>	<u>\$ 223,384</u>	<u>\$ 227,172</u>	<u>\$ 279,201</u>

Item	Ceded reinsurance unearned premium reserve		Net change in ceded unearned premium reserve (12)=(10)-(11)	Retained earned gross premium (13)=(4)-(9)+(12)
	Provisions (10)	Recoveries (11)		
Mandatory automobile liabilities insurance	\$ 190,445	\$ 190,601	(\$ 156)	\$ 749,237
Voluntary automobile liabilities insurance	<u>845,209</u>	<u>780,773</u>	<u>64,436</u>	<u>5,901,236</u>
	<u>\$ 1,035,654</u>	<u>\$ 971,374</u>	<u>\$ 64,280</u>	<u>\$ 6,650,473</u>

(7) Retained claims

The following shows the amount and calculation of retained claims for the Company's mandatory and voluntary automobile liabilities insurance as of December 31, 2024:

Insurance category	Insurance claims (including claim-related expenses)	Claims paid for reinsurance	Claims recovered from reinsurers	Retained claims
	(1)	(2)	(3)	(4)=(1)+(2)-(3)
Mandatory automobile liabilities insurance	\$ 533,124	\$ 253,156	\$ 319,341	\$ 466,939
Voluntary automobile liabilities insurance	<u>4,094,834</u>	<u>48,970</u>	<u>1,047,508</u>	<u>3,096,296</u>
	<u>\$ 4,627,958</u>	<u>\$ 302,126</u>	<u>\$ 1,366,849</u>	<u>\$ 3,563,235</u>

The following shows the amount and calculation of retained claims for the Company's mandatory and voluntary automobile liabilities insurance as of December 31, 2023:

Insurance category	Insurance claims (including claim-related expenses)	Claims paid for reinsurance	Claims recovered from reinsurers	Retained claims
	(1)	(2)	(3)	(4)=(1)+(2)-(3)
Mandatory automobile liabilities insurance	\$ 533,011	\$ 251,849	\$ 317,886	\$ 466,974
Voluntary automobile liabilities insurance	<u>3,856,773</u>	<u>40,677</u>	<u>846,488</u>	<u>3,050,962</u>
	<u>\$ 4,389,784</u>	<u>\$ 292,526</u>	<u>\$ 1,164,374</u>	<u>\$ 3,517,936</u>

(8) Policyholders' reported claims liability

Policyholders' reported and paid/unpaid and unreported claims liability:

December 31, 2024

Insurance category	Insurance claims payable	Claim reserves		
	Reported and paid	Reported but not paid	Not reported	Total
Fire Insurance	\$ -	\$ 884,648	\$ 10,470	\$ 895,118
Marine insurance	-	148,116	9,820	157,936
Automobile Insurance	-	1,237,889	809,722	2,047,611
Engineering/ liability insurance	-	273,969	50,700	324,669
Accident/ health insurance	-	30,600	142,696	173,296
Other insurance	-	<u>172,652</u>	<u>20,228</u>	<u>192,880</u>
	<u>\$ -</u>	<u>\$ 2,747,874</u>	<u>\$ 1,043,636</u>	<u>\$ 3,791,510</u>

December 31, 2023

Insurance category	Insurance claims payable	Claim reserves		
	Reported and paid	Reported but not paid	Not reported	Total
Fire Insurance	\$ -	\$ 1,157,321	\$ 4,867	\$ 1,162,188
Marine insurance	-	45,702	44,214	89,916
Automobile Insurance	-	1,308,251	798,779	2,107,030
Engineering/ liability insurance	-	270,794	55,915	326,709
Accident/ health insurance	-	20,396	139,189	159,585
Other insurance	-	30,587	13,869	44,456
	<u>\$ -</u>	<u>\$ 2,833,051</u>	<u>\$ 1,056,833</u>	<u>\$ 3,889,884</u>

Reinsurance contract asset - claims recoverable from reinsurers for obligatory payments made to policyholders

Insurance category	December 31, 2024	December 31, 2023
	Actual payments	Actual payments
Fire Insurance	\$ 11,842	\$ 13,851
Marine insurance	527	19,392
Automobile Insurance	78,583	94,861
Engineering/ liability insurance	15,258	14,694
Accident/ health insurance	31,882	29,185
Other insurance	1,824	833
Subtotal	139,916	172,816
Less: loss provisions	(700)	(898)
Net amount	<u>\$ 139,216</u>	<u>\$ 171,918</u>

Reinsurance contract asset - please refer to Note 37(3) for the amount of ceded claim reserve provided on policyholders' reported and unpaid and unreported claims liability.

(9) Retention limits by insurance category

Insurance category	2024	2023
Fire Insurance	\$ 250,000	\$ 250,000
Engineering insurance	250,000	250,000
Liabilities insurance	150,000	150,000
Cargo insurance	75,000	75,000
Marine hull insurance	60,000	60,000
Shipping vessel insurance	60,000	60,000
Automobile hull insurance	20,000	20,000
Automobile third-party liability Insurance (per incident)	213,400	202,400
Automobile passenger liability Insurance (per incident)	679,000	644,000
Personal accident insurance	30,000	30,000
Health Insurance	2,000	2,000

(10) Acquisition costs for insurance contracts

Insurance category	2024			Total
	Commission expense	Service Charges	Reinsurance commission expense	
Fire Insurance	\$ 102,742	\$ -	\$ 1,032	\$ 103,774
Marine insurance	57,471	-	157	57,628
Automobile Insurance	784,063	122,843	-	906,906
Engineering/ liability insurance	69,057	-	23,399	92,456
Accident/ health insurance	129,529	-	-	129,529
Other insurance	35,114	-	136	35,250
	<u>\$ 1,177,976</u>	<u>\$ 122,843</u>	<u>\$ 24,724</u>	<u>\$ 1,325,543</u>

Insurance category	2023			Total
	Commission expense	Service Charges	Reinsurance commission expense	
Fire Insurance	\$ 102,076	\$ -	\$ 1,606	\$ 103,682
Marine insurance	56,250	-	349	56,599
Automobile Insurance	798,681	134,931	-	933,612
Engineering/ liability insurance	59,189	-	17,917	77,106
Accident/ health insurance	125,855	-	-	125,855
Other insurance	27,515	-	982	28,497
	<u>\$ 1,169,566</u>	<u>\$ 134,931</u>	<u>\$ 20,854</u>	<u>\$ 1,325,351</u>

None of the insurance contract acquisition cost above was recognized on a deferred basis.

(11) Insurance profitability analysis
Profitability analysis for direct underwritten insurance:

2024						
Insurance category	Premium revenues (1)	Net change in unearned premium reserve (2)	Acquisition costs for insurance contracts (3)	Insurance claims (including claim-related expenses) (4)	Net change in claim reserves (5)	Profit (loss) on insurance (6)=(1)-(2)-(3)-(4)-(5)
Fire Insurance	\$ 1,300,553	\$ 37,541	\$ 102,742	\$ 770,301	(\$ 272,707)	\$ 662,676
Marine insurance	461,296	(473)	57,471	81,622	68,020	254,656
Automobile Insurance	5,391,294	(86,607)	906,906	3,195,754	(63,502)	1,438,743
Engineering/ liability insurance	512,178	41,964	69,057	133,573	(4,778)	272,362
Accident/ health insurance	809,668	10,512	129,529	412,090	13,711	243,826
Other insurance	466,340	60,942	35,114	34,618	148,373	187,293
	<u>\$ 8,941,329</u>	<u>\$ 63,879</u>	<u>\$ 1,300,819</u>	<u>\$ 4,627,958</u>	<u>(\$ 110,883)</u>	<u>\$ 3,059,556</u>

2023						
Insurance category	Premium revenues (1)	Net change in unearned premium reserve (2)	Acquisition costs for insurance contracts (3)	Insurance claims (including claim-related expenses) (4)	Net change in claim reserves (5)	Profit (loss) on insurance (6)=(1)-(2)-(3)-(4)-(5)
Fire Insurance	\$ 1,197,246	\$ 69,065	\$ 102,076	\$ 469,117	\$ 414,097	\$ 142,891
Marine insurance	442,771	(1,965)	56,250	221,433	34,346	132,707
Automobile Insurance	5,602,049	160,887	933,612	3,121,729	243,590	1,142,231
Engineering/ liability insurance	451,543	46,167	59,189	205,060	(8,251)	149,378
Accident/ health insurance	581,092	(24,451)	125,855	345,864	3,822	130,002
Other insurance	360,561	33,287	27,515	26,581	919	272,259
	<u>\$ 8,635,262</u>	<u>\$ 282,990</u>	<u>\$ 1,304,497</u>	<u>\$ 4,389,784</u>	<u>\$ 688,523</u>	<u>\$ 1,969,468</u>

Profitability analysis for assumed reinsurance:

2024						
Insurance category	Reinsurance Premium (1)	Net change in unearned premium reserve (2)	Reinsurance commission expense (3)	Claims paid for reinsurance (4)	Net change in claim reserves (5)	Profit (loss) on assumed reinsurance (6)=(1)-(2)-(3)-(4)-(5)
Fire Insurance	\$ 55,790	\$ 666	\$ 1,032	\$ 25,191	\$ 5,637	\$ 23,264
Marine insurance	3,589	(464)	157	(139)	-	4,035
Automobile Insurance	273,874	3,246	-	253,157	4,083	13,388
Engineering/ liability insurance	90,467	8,200	23,399	19,211	2,738	36,919
Accident/ health insurance	4,650	(467)	-	2,092	-	3,025
Other insurance	9,479	(1,580)	136	2,614	51	8,258
	<u>\$ 437,849</u>	<u>\$ 9,601</u>	<u>\$ 24,724</u>	<u>\$ 302,126</u>	<u>\$ 12,509</u>	<u>\$ 88,889</u>

2023						
Insurance category	Reinsurance Premium (1)	Net change in unearned premium reserve (2)	Reinsurance commission expense (3)	Claims paid for reinsurance (4)	Net change in claim reserves (5)	Profit (loss) on assumed reinsurance (6)=(1)-(2)-(3)-(4)-(5)
Fire Insurance	\$ 58,902	(\$ 9,079)	\$ 1,606	\$ 2,428	\$ 879	\$ 63,068
Marine insurance	5,705	(495)	349	92	-	5,759
Automobile Insurance	267,852	512	-	251,849	1,371	14,120
Engineering/ liability insurance	71,583	10,022	17,917	20,111	874	22,659
Accident/ health insurance	5,396	(263)	-	2,722	-	2,937
Other insurance	15,513	(4,486)	982	15,324	143	3,550
	<u>\$ 424,951</u>	<u>(\$ 3,789)</u>	<u>\$ 20,854</u>	<u>\$ 292,526</u>	<u>\$ 3,267</u>	<u>\$ 112,093</u>

Current profit/loss recognized on ceded insurance contracts:

2024						
Insurance category	Reinsurance premiums expense (1)	Net change in ceded unearned premium reserve (2)	Reinsurance commission revenues (3)	Claims recovered from reinsurers (4)	Net change in ceded claim reserve (5)	(Profit) loss on ceded reinsurance (6)=(1)-(2)-(3)-(4)-(5)
Fire Insurance	\$ 718,979	(\$ 3,315)	\$ 20,964	\$ 524,013	(\$ 448,270)	\$ 625,587
Marine insurance	101,306	(2,690)	9,534	27,405	31,881	35,176
Automobile Insurance	625,931	(105,306)	115,508	576,219	(52,154)	91,664
Engineering/ liability insurance	253,954	15,061	63,849	67,170	3,033	104,841
Accident/ health insurance	270,187	7,000	54,376	160,313	2,382	46,116
Other insurance	279,010	38,988	15,094	11,729	26,122	187,077
	<u>\$ 2,249,367</u>	<u>(\$ 50,262)</u>	<u>\$ 279,325</u>	<u>\$ 1,366,849</u>	<u>(\$ 437,006)</u>	<u>\$ 1,090,461</u>

2023						
Insurance category	Reinsurance premiums expense (1)	Net change in ceded unearned premium reserve (2)	Reinsurance commission revenues (3)	Claims recovered from reinsurers (4)	Net change in ceded claim reserve (5)	(Profit) loss on ceded reinsurance (6)=(1)-(2)-(3)-(4)-(5)
Fire Insurance	\$ 670,216	\$ 12,453	\$ 31,372	\$ 264,430	\$ 368,788	(\$ 6,827)
Marine insurance	96,830	(3,538)	12,936	79,605	40,525	(32,698)
Automobile Insurance	829,654	17,914	184,651	585,985	52,404	(11,300)
Engineering/ liability insurance	219,295	25,865	56,269	118,612	6,755	11,794
Accident/ health insurance	159,004	(13,638)	33,102	109,478	11,183	18,879
Other insurance	219,820	25,224	13,235	6,264	(108)	175,205
	<u>\$ 2,194,819</u>	<u>\$ 64,280</u>	<u>\$ 331,565</u>	<u>\$ 1,164,374</u>	<u>\$ 479,547</u>	<u>\$ 155,053</u>

(12) Information on insurance risks

1. Sensitivity analysis for insurance risks

The Company conducts sensitivity analysis on major assumptions that have the potential to affect claim reserves, such as average cost of claim, claim-related expenses and number of claim cases. Impacts on claim reserves are established by making reasonable and possible changes to one assumption while holding other major assumptions constant. For example, a change to the

variable "average cost of claim" would result in a proportional change in claim reserves. Detailed analysis is presented below:

December 31, 2024					
	Single-variable Variation	Effect on gross claims reserve Increase (decrease)	Effect on net claims reserve Increase (decrease)	Effect on pre-tax profit Increase (decrease)	Pre-tax effect on owners' equity Increase (decrease)
Average cost of claim	5%	\$ 160,233	\$ 117,318	(\$ 117,318)	(\$ 117,318)

Note: The above analysis does not include mandatory automobile liabilities insurance, nuclear risks insurance, and government-regulated earthquake insurance.

2. Explanation to concentration of insurance risks

The Company sets retention limits depending on the risks associated with individual insurance categories. Risks are transferred away through the use of reinsurance, which reduces concentration of insurance risks and the impacts they have on the Company. Risk concentration by business category is explained below:

Insurance category	2024		2024	
	Direct written premiums	%	Cumulative retained premiums (Note)	%
Fire Insurance	\$ 1,300,553	14.54	\$ 637,364	8.94
Marine insurance	461,296	5.16	363,579	5.10
Automobile Insurance	5,391,294	60.30	5,039,237	70.69
Engineering/ liability insurance	512,178	5.73	348,691	4.89
Accident/ health insurance	809,668	9.05	544,131	7.63
Other insurance	<u>466,340</u>	<u>5.22</u>	<u>196,809</u>	<u>2.75</u>
	<u>\$ 8,941,329</u>	<u>100.00</u>	<u>\$ 7,129,811</u>	<u>100.00</u>

Note: represents the sum of premium revenue, reinsurance premium revenue and reinsurance premium expense.

Claims trends

Trend analysis for claims on direct insurance is as follows:

Year of accident	December 31, 2024					
	Year count					
	1	2	3	4	5	6
≤2019	\$ 44,519,547	\$ 44,747,485	\$ 44,762,811	\$ 44,785,795	\$ 44,759,687	\$ 44,753,006
2020	3,111,650	3,416,737	3,416,430	3,381,933	3,386,329	
2021	3,021,786	3,166,186	3,137,368	3,113,026		
2022	3,473,164	3,738,140	3,774,796			
2023	4,250,341	4,259,855				
2024	3,994,805					

Note: The above table does not include mandatory automobile liabilities insurance, nuclear risks insurance, and government-regulated earthquake insurance.

(13) Credit risk, liquidity risk and market risk of insurance contracts

1. Credit risk of insurance contracts

Reinsurance accounts with substandard counterparties of ceded coverage have been presented in regulatory reports according to Note 5 of "Substandard Reinsurance Reserve Provisioning for Insurance Companies" and disclosed in financial statements in the form of a footnote.

Below is a list of substandard reinsurance counterparties that did not meet the credit rating requirements stated in Article 8 of "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" as of December 31, 2024:

Reinsurance counterparty	Insurance category
Tugu Insurance Company Limited	Facultative reinsurance of marine hull insurance

The Company has made provisions for substandard reinsurance reserves totaling NT\$2 thousand, including NT\$2 thousand of ceded claim reserves for reported and unpaid liabilities. Liabilities and reserves increased by NT\$2 thousand, but this provision does not affect the overall presentation of the Company's financial statements, and credit risk exposure is deemed limited and tolerable accordingly.

Below is a list of substandard reinsurance counterparties that did not meet the credit rating requirements stated in Article 8 of "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" as of December 31, 2023:

Reinsurance counterparty	Insurance category
Tugu Insurance Company Limited	Facultative reinsurance of marine hull insurance
Starstone Insurance Limited	Facultative reinsurance of accident insurance

The Company has made provisions for substandard reinsurance reserves totaling NT\$36 thousand (which comprises NT\$2 thousand of ceded claim reserves for reported and unpaid liabilities and NT\$34 thousand of claims recoverable from reinsurers for obligatory payments made to policyholders that were unrecovered for less than 9 months). Liabilities and reserves increased by NT\$36 thousand, but this provision does not affect the overall presentation of the Company's financial statements, and credit risk exposure is deemed limited and tolerable.

2. Liquidity risk of insurance contracts

The Company manages the liquidity risk of its insurance contracts in three liquidity levels: Normal, Cautious, and Critical. The Company's liquidity position as of December 31, 2024 was considered to be at the Normal level, which posed no concern of liquidity risk.

3. Market risk of insurance contracts

None of the insurance contracts and reinsurance contracts issued or held by the Company involved any significant market risk.

(14) Assets, liabilities, revenues and costs of mandatory automobile liabilities insurance
1. Assets and liabilities of mandatory automobile liabilities insurance

Unit: NTD thousand

Item	Amount		Item	Amount	
	December 31, 2024	December 31, 2023		December 31, 2024	December 31, 2023
Assets			Liabilities		
Cash and bank deposits (Note)	\$ 1,354,411	\$ 1,305,543	Notes payable	\$ 620	\$ 1,300
Notes receivable	5,768	7,811	Claims payable	-	-
Premiums receivable	11,642	11,888	Claims payable to reinsurers	-	-
Claims recoverable from reinsurers	23,725	26,598	Reinsurance accounts payable	59,091	60,628
Reinsurance accounts receivable	52,522	49,501	Unearned premium reserve	441,797	468,504
Other receivables	-	-	Claim reserve	585,699	620,178
Financial assets at fair value through other comprehensive income	-	-	Special claim reserve	750,811	689,244
Ceded unearned premium reserve	172,473	190,445	Receipts in suspense and pending settlement	11,725	6,276
Ceded claim reserve	229,202	254,344	Other liabilities	-	-
Payments in suspense and pending settlement	-	-			
Other assets	-	-			
Total assets	\$ 1,849,743	\$ 1,846,130	Total liabilities	\$ 1,849,743	\$ 1,846,130

Note: As at December 31, 2024 and 2023, NT\$438,411 thousand and NT\$389,543 thousand of which were presented as cash, while NT\$916,000 thousand and NT\$916,000 thousand of which were presented as other financial assets, respectively.

2. Revenues and costs of mandatory automobile liabilities insurance Unit: NTD thousands

	2024	2023
Revenue		
Pure premium revenues	\$ 516,503	\$ 574,594
Reinsurance Premium	<u>273,874</u>	<u>267,852</u>
Premium revenues	790,377	842,446
Less: reinsurance premiums expense	(309,924)	(344,780)
Net change in unearned premium reserve	<u>8,735</u>	(<u>424</u>)
Retained Earned Premium	489,188	497,242
Interest income	<u>11,503</u>	<u>10,020</u>
Total operating revenues	<u>\$ 500,691</u>	<u>\$ 507,262</u>
Operating Cost		
Insurance claims (including reinsurance claims, which amounted to NT\$253,156 thousand and NT\$251,849 thousand, respectively)	\$ 786,280	\$ 784,860
Less: Claims recovered from reinsurers	(<u>319,341</u>)	(<u>317,886</u>)
Retained claims	466,939	466,974
Net change in claim reserves	(9,337)	22,889
Net change in special claim reserves (Note)	<u>61,567</u>	<u>40,282</u>
Total operating costs	<u>\$ 519,169</u>	<u>\$ 530,145</u>

Note: Pursuant to Instruction Jin-Guan-Bao-Chan-Zi No. 11304922071, the Company is required to make provisions for this reserve from expenses incurred in relation to this particular service at NT\$15 per contract on a monthly basis starting from October 1, 2024.

38. Other disclosures

- (1) Major transactions:
1. Acquisition of real estate properties amounting to more than NT\$100 million or 20% of paid-up capital: None.
 2. Disposal of real estate properties amounting to more than NT\$100 million or 20% of paid-up capital: None.
 3. Core business transactions conducted with related parties amount to more than NT\$100 million or more than 20% of paid-up capital: None.
 4. Related party receivables amounting to more than NT\$100 million or 20% of paid up capital: None.
 5. Trading of derivatives: None.
 6. Others: None.
- (2) Information on invested businesses: None.
- (3) Information relating to investments and business activities in the Mainland China: None.
- (4) Information of dominant shareholders:

Unit: shares

Shareholding	Shares held	Shareholding percentage (%)
Name of dominant shareholder		
Chien Cheng Development Co., Ltd.	18,806,192	6.24%
OSTA Trading Co., Ltd.	15,823,085	5.25%

Note 1: Information on major shareholders, as presented in this chart, was taken from records of the Taiwan Depository & Clearing Corporation as of the final business day of the reported quarter; and included parties holding book-entry common and preferred shares (including treasury stock) for aggregate ownership of 5% and above. Share capital reported in the Company's financial statements may differ from the number of shares delivered via book entry due to different basis of preparation/calculation.

Note 2: Shareholders who placed shares under trust are disclosed based on sub-accounts under trustee's main trust account. According to the Securities and Exchange Act, shareholders with more than 10% ownership interest are subject to insider equity reporting. Insider equity includes shares held in own name and any shares placed under a trust that the insider has control over. Please access the Market Observation Post System for reports on insider equity.

39. Segment information

Non-life insurance was the Company's primary and only major business segment in 2024 and 2023, so segment-by-segment disclosure of financial information is not required.

§LIST OF MAJOR ACCOUNTS§

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The First Insurance Co., Ltd.
Cash and cash equivalent accounts
December 31, 2024

Account set 1 Unit: NTD thousands / foreign currency thousands

Item	Summary	Amount
Cash		\$ 695
Cheque deposit		1,024,796
Demand deposit		848,126
Foreign currency deposit	US\$3,015, HK\$586, GBP\$66, JPY\$21, EUR\$27 and CNY\$31	105,112
Cash equivalents		
Time deposit	Time deposits with an original tenor of 3 months or lesser, at the interest rate ranging from 0.88% to 1.29%.	137,800
Time deposit in foreign currency	US\$5,400, time deposits with an original tenor of 3 months or lesser, at the interest rate ranging from 4.40% to 5.10%.	177,039
		<u>\$ 2,293,568</u>

Note: Foreign currency deposits were valued at spot exchange rates as of the balance sheet date, which were: USD1 = NTD32.785, HKD1 = NTD4.222, GBP1 = NTD41.190, JPY1 = NTD0.210, EUR1 = NTD34.140, CNY1 = NTD4.478.

The First Insurance Co., Ltd.
Receivable accounts
December 31, 2024

Account set 2 Unit: NTD thousands unless specified otherwise

Title	Summary	Amount
Notes receivable		
Arising from business activities		
Customer A		\$ 43,145
Customer B		13,390
Others		<u>68,543</u>
		125,078
Less: loss provisions		(<u>3,412</u>)
		<u>\$121,666</u>
 Premiums receivable		
Customer C		\$ 34,381
Customer D		12,502
Customer E		12,339
Customer A		11,608
Customer F		9,188
Customer G		8,768
Customer H		8,412
Others		<u>55,365</u>
		152,563
Less: loss provisions		(<u>37,069</u>)
		<u>\$115,494</u>

Note: If the customer's balance exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
 Other receivable accounts
 December 31, 2024

Account set 3

Unit: NTD thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Other receivables	Interest receivable	\$ 68,053
	Commission receivable from canceled coverage	10,471
	Others	<u>2,721</u>
		81,245
Less: loss provisions		(<u>5,903</u>)
		<u>\$ 75,342</u>

Note: If the balance under each item exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Financial asset at fair value through profit and loss accounts
December 31, 2024

Account set 4

Unit: NTD thousands unless specified otherwise

Name of financial instrument	Summary		Shares (thousand units) / lots	Face value (\$)	Total value	Interest rate (%)	Acquisition cost	Fair value	
	Interest payment date	Principal repayment date						Unit price (\$)	Total value
TWSE/TPEX listed shares									
Hung Sheng	-	-	15,555	10	155,550	-	\$ 611,965	25.50	\$ 396,645
Subtotal							<u>611,965</u>		<u>396,645</u>
Fund beneficiary certificates									
Yuanta De- Bao Money Market Fund	-	-	24,063	10	240,630	-	299,594	12.52	301,289
FSITC Money Market Fund	-	-	13	100	1,300	-	2,341	185.73	2,353
Hua Nan Phoenix Money Market Fund	-	-	17,677	10	176,770	-	299,180	16.97	299,808
Union Money Market Fund	-	-	186	10	1,860	-	2,524	13.77	2,558
SinoPac TWD Money Market Fund	-	-	21,152	10	211,520	-	300,000	14.51	306,835
Yuanta Japan Leaders Equity Fund	-	-	18	10	180	-	182	10.67	195
Yuanta U.S. Treasury 20+ Year Bond ETF	-	-	200	10	2,000	-	<u>5,791</u>	28.65	<u>5,730</u>
Subtotal							<u>909,612</u>		<u>918,768</u>
Securitized beneficiary certificates									
O-Bank R1	-	-	21,559	10	215,590	-	<u>200,849</u>	7.03	<u>151,560</u>
Subtotal							<u>200,849</u>		<u>151,560</u>
Domestic bank debentures									
Union subordinated bonds	Interests paid once a year in July each year	No maturity date	1	50,000	50,000	1.92%	50,000		49,289
Mega subordinated bonds	Interests paid once a year in December each year	No maturity date	1	100,000	100,000	3.20%	<u>100,000</u>		<u>99,730</u>
Subtotal							<u>150,000</u>		<u>149,019</u>
Plus: valuation adjustment							<u>1,872,426</u>		<u>\$ 1,615,992</u>
							(<u>256,434</u>)		
							<u>\$ 1,615,992</u>		

The First Insurance Co., Ltd.
Financial asset at cost after amortization accounts
December 31, 2024

Account set 5

Unit: NTD thousands unless specified otherwise

Name of bond	Summary		Lots	Face value	Total value	Interest rate (%)	Loss provisions	Unamortized premium (discount)	Book value	Collateral
	Interest payment date	Principal repayment date								
Corporate bond										
Nan Shan Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	January 2024	Maturing January 4, 2034	1	\$ 100,000	\$ 100,000	3.75	(\$ 160)	\$ -	\$ 99,840	None
Unsecured subordinated ordinary corporate bond of Taishin Securities	January 2024	Maturing January 10, 2030	1	100,000	100,000	1.35	(588)	(5,672)	93,740	None
Shinshin Credit Corporation unsecured common corporate bond	April 2024	Maturing April 12, 2026	1	100,000	100,000	1.90	(160)	-	99,840	None
Cathay Life Insurance unsecured cumulative subordinated common corporate bonds-Class A	April 2024	Maturing April 24, 2034	1	100,000	100,000	3.70	(56)	-	99,944	None
Fubon Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	June 2024	Maturing June 12, 2034	1	100,000	100,000	3.70	(160)	-	99,840	None
CTBC Holding unsecured subordinated common corporate bond Type B	June 2024	Maturing June 24, 2030	1	100,000	100,000	1.05	(160)	-	99,840	None
Nan Shan Life Insurance cumulative subordinated corporate bonds with no maturity date	June 2024	No maturity date	1	35,000	35,000	3.50	(58)	886	35,828	None
Nan Shan Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	June 2024	Maturing June 28, 2034	1	100,000	100,000	3.75	(56)	-	99,944	None
SERCOMM unsecured common corporate bond	July 2024	Maturing July 17, 2025	1	100,000	100,000	1.00	(160)	-	99,840	None
Taiwan Life Insurance unsecured cumulative subordinated corporate bonds-Class A	July 2024	Maturing July 21, 2033	1	100,000	100,000	3.75	(56)	-	99,944	None
KGI Life Insurance unsecured cumulative subordinated corporate bonds	July 2024	Maturing July 25, 2033	1	100,000	100,000	3.75	(56)	-	99,944	None
Fina Finance & Trading unsecured common corporate bond	July 2024	Maturing July 27, 2026	1	100,000	100,000	0.70	(160)	-	99,840	None
Cathay Life Insurance unsecured cumulative subordinated common corporate bonds-Class A	August 2024	Maturing August 1, 2033	1	100,000	100,000	3.70	(56)	-	99,944	None
Taiwan Cogeneration unsecured common corporate bond	August 2024	Maturing August 14, 2030	1	100,000	100,000	1.00	(160)	-	99,840	None
Unsecured subordinated ordinary corporate bond of SinoPac Securities	August 2024	Maturing August 26, 2029	1	50,000	50,000	2.40	(81)	-	49,919	None
Fubon Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	September 2024	Maturing September 5, 2033	1	100,000	100,000	3.70	(56)	-	99,944	None
KGI Life Insurance unsecured cumulative subordinated corporate bonds-Class A	September 2024	Maturing September 13, 2034	1	100,000	100,000	3.75	(56)	-	99,944	None
UMC unsecured common corporate bond	September 2024	Maturing September 15, 2028	1	50,000	50,000	1.62	(28)	-	49,972	None
Fubon Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	October 2024	Maturing October 23, 2034	1	100,000	100,000	3.70	(56)	-	99,944	None

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Name of bond	Summary		Lots	Face value	Total value	Interest rate (%)	Loss provisions	Unamortized premium (discount)	Book value	Collateral
	Interest payment date	Principal repayment date								
Nan Shan Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	October 2024	Maturing October 26, 2033	1	\$ 100,000	\$ 100,000	3.75	(\$ 56)	\$ -	\$ 99,944	None
Fubon Life Insurance unsecured cumulative subordinated common corporate bonds - Tranche A	November 2024	Maturing November 7, 2033	1	100,000	100,000	3.70	(160)	-	99,840	None
Yuanta Futures unsecured subordinated common corporate bond	November 2024	Maturing November 12, 2028	1	100,000	100,000	0.85	(160)	-	99,840	None
Cumulative subordinated corporate bonds of Mercuries Life	November 2024	No maturity date	1	<u>30,000</u>	<u>30,000</u>	3.70	(<u>188</u>)	<u>-</u>	<u>29,812</u>	None
				<u>2,065,000</u>	<u>2,065,000</u>		(<u>2,887</u>)	(<u>4,786</u>)	<u>2,057,327</u>	
Bank debenture										
Bank Sinopac (2019) Subordinated Bond Issue 2	January 2024	Maturing January 25, 2029	1	100,000	100,000	1.55	(160)	-	99,840	None
O-Bank (2024) Subordinated Bond Issue 1	March 2024	Maturing March 27, 2031	1	100,000	100,000	2.30	(623)	-	99,377	None
COTA Bank (2023) Subordinated Bond Issue 1	April 2024	Maturing April 25, 2030	1	100,000	100,000	2.65	(1,965)	-	98,035	None
O-Bank (2023) Subordinated Bond Issue 1	April 2024	Maturing April 27, 2030	1	100,000	100,000	2.00	(623)	-	99,377	None
Shin Kong Bank (2024) Subordinated Bond Issue 1	May 2024	Maturing May 7, 2031	1	100,000	100,000	2.70	(160)	-	99,840	None
Bank of Panhsin (2019) Subordinated Bond Issue 1	June 2024	Maturing June 26, 2026	1	150,000	150,000	2.25	(935)	-	149,065	None
O-Bank (2024) Subordinated Bond Issue 2	June 2024	Maturing June 27, 2031	1	100,000	100,000	2.50	(623)	-	99,377	None
Bank of Panhsin (2021) Subordinated Bond Issue 1	June 2024	Maturing June 28, 2028	1	50,000	50,000	1.50	(312)	-	49,688	None
Sunny Bank (2022) Subordinated Bond Issue 2	August 2024	Maturing August 19, 2029	1	100,000	100,000	2.45	(623)	-	99,377	None
Bank Sinopac (2024) Subordinated Bond Issue 1	September 2024	Maturing September 26, 2026	1	150,000	150,000	1.73	(84)	-	149,916	None
O-Bank (2022) Subordinated Bond Issue 1	September 2024	Maturing September 27, 2029	1	100,000	100,000	2.30	(623)	-	99,377	None
Hwatai Bank (2022) Subordinated Bond Issue 1	September 2024	Maturing September 29, 2029	1	200,000	200,000	2.60	(1,247)	-	198,753	None
Hwatai Bank (2020) Subordinated Bond Issue 1	September 2024	Maturing September 30, 2027	1	50,000	50,000	1.25	(312)	-	49,688	None
Hwatai Bank (2021) Subordinated Bond Issue 1	September 2024	Maturing September 30, 2028	1	50,000	50,000	1.30	(312)	-	49,688	None
Hwatai Bank (2024) Subordinated Bond Issue 1	December 2024	Maturing December 23, 2031	1	100,000	100,000	2.50	(623)	-	99,377	None
Taichung Bank (2021) Subordinated Bond Issue 1	December 2024	Maturing December 27, 2028	1	<u>100,000</u>	<u>100,000</u>	1.20	(<u>623</u>)	<u>-</u>	<u>99,377</u>	None
				<u>1,650,000</u>	<u>1,650,000</u>		(<u>9,848</u>)	<u>-</u>	<u>1,640,152</u>	
				<u>\$ 3,715,000</u>	<u>\$ 3,715,000</u>		(<u>\$ 12,735</u>)	(<u>\$ 4,786</u>)	<u>\$ 3,697,479</u>	

The First Insurance Co., Ltd.
Financial asset at fair value through other comprehensive income accounts
December 31, 2024

Account set 6

Unit: NTD thousands unless specified otherwise

Name of financial instrument	Summary		Shares (thousand units) / lots	Face value (\$)	Total value	Loss provisions	Valuation allowance adjustment	Acquisition cost	Fair value		Collateral
	Interest payment date	Principal repayment date							Unit price (\$)	Total value	
TWSE/TPEX listed shares											
Taiwan Cement			5,540	10	\$ 55,400	\$ -	(\$ 24,294)	\$ 199,912	31.70	\$ 175,618	None
Asia Cement Corporation			724	10	7,240	-	(512)	29,761	40.40	29,249	None
Nanya			1,235	10	12,350	-	(57,019)	93,945	29.90	36,926	None
Asia Polymer			6,403	10	64,030	-	(98,767)	185,848	13.60	87,081	None
Tahhsin			964	10	9,640	-	(28,798)	96,169	69.90	67,371	None
New Fibers			3,092	10	30,920	-	(9,810)	55,417	14.75	45,607	None
Taiwan Fertilizer			2,273	10	22,730	-	(14,764)	130,914	51.10	116,150	None
CSC			5,155	10	51,550	-	(62,830)	164,126	19.65	101,296	None
Huaku			497	10	4,970	-	14,273	42,419	114.00	56,692	None
EVA			1,400	10	14,000	-	119,003	195,997	225.00	315,000	None
Chang Hwa Bank			11,333	10	113,330	-	2,716	199,586	17.85	202,302	None
Far Eastern Department Stores Co., Ltd.			7,420	10	74,200	-	(32,590)	199,540	22.50	166,950	None
Continental			5,353	10	53,530	-	(1,880)	162,738	30.05	160,858	None
						-	(195,272)	1,756,372		1,561,100	
Domestic unlisted shares											
Sunny Commercial Bank			114,520	10	1,145,200	-	472,568	689,806	10.15	1,162,374	None
Subtotal of shares						-	277,296	2,446,178		2,723,474	
Government bonds											
2011 A / Issue 7	August 2024	Maturing August 2, 2031	-	50,000	50,000	(13)	75	50,829	101.7812	50,891	Note
2012 A / Issue 4	February 2024	Maturing February 13, 2042	-	150,000	150,000	(43)	(20,452)	170,997	100.3349	150,502	Note
2012 A / Issue 8	August 2024	Maturing August 24, 2042	-	150,000	150,000	(40)	(11,984)	159,551	98.3512	147,527	Note
2013 A / Issue 9	August 2024	Maturing August 2, 2043	-	102,000	102,000	(31)	(8,464)	122,720	111.9852	114,225	Note
2013 A / Issue 9	August 2024	Maturing August 2, 2043	-	48,000	48,000	(14)	(3,983)	57,750	111.9852	53,753	None
						(141)	(44,808)	561,847		516,898	
Less: amount placed as bond						-	40,825	(503,970)		(463,145)	
Subtotal of government bonds						(141)	(3,983)	57,877		53,753	
						(\$ 141)	\$ 273,313	\$ 2,504,055		\$ 2,777,227	

Note: Pledged as operating bond.

The First Insurance Co., Ltd.
 Claim recoverable from reinsurers accounts
 December 31, 2024

Account set 7 Unit: NTD thousand

Item	Summary	Amount
General automobile hull insurance for private vehicle		\$ 27,900
General liabilities insurance for private vehicle		25,471
Personal accident insurance		22,959
Mandatory automobile liabilities insurance for private vehicle		11,640
Engineering insurance		9,449
One-year health insurance		8,923
One-year commercial fire insurance		8,513
Other insurance		<u>25,061</u>
		139,916
Less: loss provisions		(<u>700</u>)
		<u>\$ 139,216</u>

Note: If the balance under each insurance category exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Reinsurance accounts receivable and payable
December 31, 2024

Account set 8

Unit: NTD thousand

Summary	Debits	Summary	Credits
Reinsurance accounts receivable		Reinsurance accounts payable	
GUY	\$ 139,236	CRC	\$ 70,865
CRC	106,920	CMP	59,091
LOC	84,864	TOH	23,709
GUR	48,638	TRI	18,677
CMP	29,732	HWW	17,664
Others	<u>105,079</u>	Others	<u>93,694</u>
	514,469		
Less: loss provisions	(<u>2,932</u>)		
	<u>\$ 511,537</u>		<u>\$ 283,700</u>

Note: If the balance of each account exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Right-of-use asset variation accounts
January 1 to December 31, 2024

Account set 9

Unit: NTD thousand

Item	Opening balance	Increase - current period	Decrease - current period	Closing balance	Remarks
Buildings	\$ 3,679	\$ 558	(\$ 1,679)	\$ 2,558	
Transportation equipment	3,286	686	(1,510)	2,462	
Sundry equipment	<u>1,103</u>	<u>1,186</u>	<u>(1,103)</u>	<u>1,186</u>	
	<u>\$ 8,068</u>	<u>\$ 2,430</u>	<u>(\$ 4,292)</u>	<u>\$ 6,206</u>	

The First Insurance Co., Ltd.
Right-of-use asset accumulated depreciation variation accounts
January 1 to December 31, 2024

Account set 10

Unit: NTD thousand

Item	Opening balance	Increases during the current period	Decreases during the current period	Closing balance	Remarks
Buildings	\$ 1,592	\$ 1,900	(\$ 1,679)	\$ 1,813	
Transportation equipment	1,996	853	(1,468)	1,381	
Sundry equipment	<u>769</u>	<u>400</u>	<u>(1,103)</u>	<u>66</u>	
	<u>\$ 4,357</u>	<u>\$ 3,153</u>	<u>(\$ 4,250)</u>	<u>\$ 3,260</u>	

The First Insurance Co., Ltd.
Other asset details
December 31, 2024

Account set 11		Unit: NTD thousand
Title	Summary	Amount
Other assets		
Net defined benefit assets		\$ 11,875
Guarantee deposits paid	Insurance operating bond (placed in government bond)	463,145
	Others	<u>57,228</u>
		<u>520,373</u>
Other assets – others	Prepaid equipment purchase	17,277
	Prepaid insurance premiums	1,639
	Prepaid rent	472
	Payment in suspense	136
	Others	<u>587</u>
		<u>20,111</u>
		<u>\$552,359</u>

Note: If the balance under each category exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Statement of Notes Payable
December 31, 2024

Account set 12

Unit: NTD thousand

Name of Manufacturer	Summary	Amount	Remarks
Manufacturer I		\$ 3,326	
Manufacturer G		1,000	
Others		<u>6,485</u>	
		<u>\$ 10,811</u>	

Note: If the balance of each manufacturer exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Lease liability accounts
December 31, 2024

Account set 13

Unit: NTD thousand

<u>Item</u>	<u>Summary</u>	<u>Lease tenor</u>	<u>Discount rate</u>	<u>Closing balance</u>	<u>Remarks</u>
Buildings	Business locations	October 20, 2022 - February 28, 2026	2.79%~3.16%	\$ 761	
Transportation equipment	Company car	April 1, 2021 - July 6, 2027	2.55%~3.18%	1,099	
Sundry equipment	Firewall equipment	November 1, 2024 - October 31, 2027	3.29%	<u>1,124</u>	
				<u>\$ 2,984</u>	

The First Insurance Co., Ltd.
Unearned premium reserve variation accounts
January 1 to December 31, 2024

Account set 14

Unit: NTD thousand

Item	Opening balance	Net change in current period	Other changes	Closing balance	Remarks
Total value:					
One-year residential fire insurance	\$ 74,241	\$ 4,103	\$ -	\$ 78,344	
Long-term residential fire insurance	45,297	(7,875)	-	37,422	
One-year commercial fire insurance	236,196	15,103	-	251,299	
Long-term commercial fire insurance	174	(42)	-	132	
Inland marine insurance	2,999	(890)	-	2,109	
Freight insurance	37,659	3,541	-	41,200	
Marine hull insurance	18,745	(437)	-	18,308	
Shipping vessel insurance	19,735	(3,151)	-	16,584	
Aviation Insurance	41,186	25,462	-	66,648	
General automobile hull insurance for private vehicle	1,228,179	(60,744)	-	1,167,435	
General automobile hull insurance for commercial vehicle	15,790	(6,346)	-	9,444	
General liabilities insurance for private vehicle	1,162,055	33,743	-	1,195,798	
General liabilities insurance for commercial vehicle	70,037	(23,307)	-	46,730	
Mandatory automobile liabilities insurance for private vehicle	270,531	(16,132)	-	254,399	
Mandatory automobile liabilities insurance for commercial vehicle	35,440	(7,078)	-	28,362	
Mandatory liabilities insurance for motorcycle	159,930	(4,634)	-	155,296	
General liabilities insurance	181,469	28,706	-	210,175	
Professional liability insurance	25,184	5,716	-	30,900	
Engineering insurance	116,202	15,407	-	131,609	
Nuclear risks insurance	3,285	335	-	3,620	
Performance bond insurance	5,064	(153)	-	4,911	
Credit insurance	181	(181)	-	-	
Other property insurance	38,814	12,840	-	51,654	
Personal accident insurance	299,891	1,184	-	301,075	
Commercial earthquake insurance	99,435	12,683	-	112,118	
Personal omnibus insurance	17,992	13,722	-	31,714	
Commercial omnibus insurance	1,103	167	-	1,270	
Typhoon and flood insurance	65,627	8,037	-	73,664	
Government-sponsored earthquake insurance policy	145,010	14,235	-	159,245	
One-year health insurance	2,190	8,861	-	11,051	
Mandatory micro liabilities insurance for electric bikes	2,603	1,137	-	3,740	
Share of foreign coverage	2,493	(532)	-	1,961	
Total	<u>\$ 4,424,737</u>	<u>\$ 73,480</u>	<u>\$ -</u>	<u>\$ 4,498,217</u>	

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Item	Opening balance	Net change in current period	Other changes	Closing balance	Remarks
Ceded:					
One-year residential fire insurance	\$ -	\$ -	\$ -	\$ -	
Long-term residential fire insurance	39,451	(6,556)	-	32,895	
One-year commercial fire insurance	67,226	(7,054)	-	60,172	
Long-term commercial fire insurance	142	(31)	-	111	
Inland marine insurance	-	-	-	-	
Freight insurance	1,223	459	-	1,682	
Marine hull insurance	16,057	(428)	-	15,629	
Shipping vessel insurance	13,160	(2,721)	-	10,439	
Aviation Insurance	40,365	25,666	-	66,031	
General automobile hull insurance for private vehicle	133,537	(56,270)	-	77,267	
General automobile hull insurance for commercial vehicle	1,219	(600)	-	619	
General liabilities insurance for private vehicle	105,541	(28,197)	-	77,344	
General liabilities insurance for commercial vehicle	5,262	(2,267)	-	2,995	
Mandatory automobile liabilities insurance for private vehicle	115,099	(10,219)	-	104,880	
Mandatory automobile liabilities insurance for commercial vehicle	12,542	(4,196)	-	8,346	
Mandatory liabilities insurance for motorcycle	61,566	(3,886)	-	57,680	
General liabilities insurance	60,796	10,305	-	71,101	
Professional liability insurance	9,978	1,027	-	11,005	
Engineering insurance	72,273	3,729	-	76,002	
Nuclear risks insurance	-	-	-	-	
Performance bond insurance	1,032	79	-	1,111	
Credit insurance	-	-	-	-	
Other property insurance	23,675	12,049	-	35,724	
Personal accident insurance	78,386	2,723	-	81,109	
Commercial earthquake insurance	28,643	(189)	-	28,454	
Personal omnibus insurance	609	1,246	-	1,855	
Commercial omnibus insurance	492	74	-	566	
Typhoon and flood insurance	18,539	7	-	18,546	
Government-sponsored earthquake insurance policy	126,799	10,515	-	137,314	
One-year health insurance	670	4,277	-	4,947	
Mandatory micro liabilities insurance for electric bikes	1,238	329	-	1,567	
Share of foreign coverage	134	(133)	-	1	
Total	<u>\$ 1,035,654</u>	<u>(\$ 50,262)</u>	<u>\$ -</u>	<u>\$ 985,392</u>	

The First Insurance Co., Ltd.
Claim reserve variation accounts
January 1 to December 31, 2024

Account set 15

Unit: NTD thousand

Item	Opening balance	Net change in current period	Other changes	Closing balance	Remarks
Total value:					
Reported but not paid					
One-year residential fire insurance	\$ 15,461	\$ 7,021	\$ -	\$ 22,482	
Long-term residential fire insurance	300	(300)	-	-	
One-year commercial fire insurance	1,135,225	(536,701)	-	598,524	
Long-term commercial fire insurance	-	-	-	-	
Inland marine insurance	6	4	-	10	
Freight insurance	27,043	115,445	-	142,488	
Marine hull insurance	17,753	(12,135)	-	5,618	
Shipping vessel insurance	900	(900)	-	-	
Aviation Insurance	10,151	(3,429)	-	6,722	
General automobile hull insurance for private vehicle	381,365	(39,511)	-	341,854	
General automobile hull insurance for commercial vehicle	14,778	(2,115)	-	12,663	
General liabilities insurance for private vehicle	693,760	18,854	-	712,614	
General liabilities insurance for commercial vehicle	70,109	(32,724)	-	37,385	
Mandatory automobile liabilities insurance for private vehicle	103,343	(12,298)	-	91,045	
Mandatory automobile liabilities insurance for commercial vehicle	13,534	(516)	-	13,018	
Mandatory liabilities insurance for motorcycle	31,245	(2,153)	-	29,092	
General liabilities insurance	209,997	(19,111)	-	190,886	
Professional liability insurance	1,559	1,004	-	2,563	
Engineering insurance	58,408	21,199	-	79,607	
Nuclear risks insurance	830	83	-	913	
Performance bond insurance	7,048	(300)	-	6,748	
Credit insurance	-	-	-	-	
Other property insurance	6,148	11,331	-	17,479	
Personal accident insurance	20,392	8,133	-	28,525	
Commercial earthquake insurance	6,335	257,307	-	263,642	
Personal omnibus insurance	528	1,404	-	1,932	
Commercial omnibus insurance	-	-	-	-	
Typhoon and flood insurance	6,712	133,059	-	139,771	
Government-sponsored earthquake insurance policy	-	-	-	-	
One-year health insurance	4	2,071	-	2,075	
Mandatory micro liabilities insurance for electric bikes	117	101	-	218	
Share of foreign coverage	-	-	-	-	
	<u>2,833,051</u>	<u>(85,177)</u>	<u>-</u>	<u>2,747,874</u>	
Not reported					
One-year residential fire insurance	123	107	-	230	
Long-term residential fire insurance	2	(2)	-	-	

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Item	Opening balance	Net change in current period	Other changes	Closing balance	Remarks
One-year commercial fire insurance	\$ 4,679	\$ 2,080	\$ -	\$ 6,759	
Long-term commercial fire insurance	-	-	-	-	
Inland marine insurance	90	(84)	-	6	
Freight insurance	7,867	(4,100)	-	3,767	
Marine hull insurance	29,059	(25,428)	-	3,631	
Shipping vessel insurance	7,198	(4,782)	-	2,416	
Aviation Insurance	1,142	5,569	-	6,711	
General automobile hull insurance for private vehicle	3,025	477	-	3,502	
General automobile hull insurance for commercial vehicle	117	13	-	130	
General liabilities insurance for private vehicle	295,230	36,167	-	331,397	
General liabilities insurance for commercial vehicle	28,468	(6,101)	-	22,367	
Mandatory automobile liabilities insurance for private vehicle	296,184	(10,344)	-	285,840	
Mandatory automobile liabilities insurance for commercial vehicle	30,970	(1,603)	-	29,367	
Mandatory liabilities insurance for motorcycle	144,010	(8,647)	-	135,363	
General liabilities insurance	43,082	(2,858)	-	40,224	
Professional liability insurance	1,870	646	-	2,516	
Engineering insurance	10,914	(3,004)	-	7,910	
Nuclear risks insurance	49	1	-	50	
Performance bond insurance	881	(812)	-	69	
Credit insurance	7	5	-	12	
Other property insurance	10,006	(1,667)	-	8,339	
Personal accident insurance	139,018	(18,887)	-	120,131	
Commercial earthquake insurance	63	3,224	-	3,287	
Personal omnibus insurance	1,656	1,960	-	3,616	
Commercial omnibus insurance	47	(37)	-	10	
Typhoon and flood insurance	60	1,372	-	1,432	
Government-sponsored earthquake insurance policy	-	194	-	194	
One-year health insurance	171	22,394	-	22,565	
Mandatory micro liabilities insurance for electric bikes	775	981	-	1,756	
Share of foreign coverage	70	(31)	-	39	
	<u>1,056,833</u>	<u>(13,197)</u>	<u>-</u>	<u>1,043,636</u>	
	<u>\$ 3,889,884</u>	<u>(\$ 98,374)</u>	<u>\$ -</u>	<u>\$ 3,791,510</u>	
Ceded:					
Reported but not paid					
One-year residential fire insurance	\$ -	\$ -	\$ -	\$ -	
Long-term residential fire insurance	270	(270)	-	-	
One-year commercial fire insurance	857,964	(557,513)	-	300,451	
Long-term commercial fire insurance	-	-	-	-	
Inland marine insurance	-	-	-	-	
Freight insurance	5,344	64,974	-	70,318	
Marine hull insurance	14,924	(9,324)	-	5,600	
Shipping vessel insurance	810	(810)	-	-	
Aviation Insurance	8,036	(2,400)	-	5,636	

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Item	Opening balance	Net change in current period	Other changes	Closing balance	Remarks
General automobile hull insurance for private vehicle	\$ 44,507	(\$ 16,453)	\$ -	\$ 28,054	
General automobile hull insurance for commercial vehicle	1,183	(241)	-	942	
General liabilities insurance for private vehicle	67,210	(7,301)	-	59,909	
General liabilities insurance for commercial vehicle	5,609	(2,836)	-	2,773	
Mandatory automobile liabilities insurance for private vehicle	43,348	(10,017)	-	33,331	
Mandatory automobile liabilities insurance for commercial vehicle	4,215	(629)	-	3,586	
Mandatory liabilities insurance for motorcycle	9,953	(1,555)	-	8,398	
General liabilities insurance	88,633	(10,386)	-	78,247	
Professional liability insurance	64	236	-	300	
Engineering insurance	37,623	17,001	-	54,624	
Nuclear risks insurance	-	-	-	-	
Performance bond insurance	2,383	-	-	2,383	
Credit insurance	-	-	-	-	
Other property insurance	1,768	7,951	-	9,719	
Personal accident insurance	6,413	1,679	-	8,092	
Commercial Earthquake Insurance	538	109,513	-	110,051	
Personal omnibus insurance	5	64	-	69	
Commercial omnibus insurance	1	-	-	1	
Typhoon and flood insurance	673	15,845	-	16,518	
Government-sponsored earthquake insurance policy	-	-	-	-	
One-year health insurance	1	1,036	-	1,037	
Mandatory micro liabilities insurance for electric bikes	17	38	-	55	
Share of foreign coverage	-	-	-	-	
	<u>1,201,492</u>	<u>(401,398)</u>	<u>-</u>	<u>800,094</u>	
Not reported					
One-year residential fire insurance	-	-	-	-	
Long-term residential fire insurance	-	-	-	-	
One-year commercial fire insurance	-	-	-	-	
Long-term commercial fire insurance	-	-	-	-	
Inland marine insurance	7	(6)	-	1	
Freight insurance	576	(297)	-	279	
Marine hull insurance	21,772	(19,069)	-	2,703	
Shipping vessel insurance	5,415	(3,587)	-	1,828	
Aviation Insurance	978	5,366	-	6,344	
General automobile hull insurance for private vehicle	-	-	-	-	
General automobile hull insurance for commercial vehicle	-	-	-	-	
General liabilities insurance for private vehicle	26,755	246	-	27,001	
General liabilities insurance for commercial vehicle	2,109	(427)	-	1,682	
Mandatory automobile liabilities insurance for private vehicle	131,761	(6,800)	-	124,961	
Mandatory automobile liabilities insurance for commercial vehicle	10,076	(978)	-	9,098	
Mandatory liabilities insurance for motorcycle	54,670	(5,671)	-	48,999	
General liabilities insurance	13,675	(2,594)	-	11,081	
Professional liability insurance	547	230	-	777	

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Item	Opening balance	Net change in current period	Other changes	Closing balance	Remarks
Engineering insurance	\$ 3,378	(\$ 1,454)	\$ -	\$ 1,924	
Nuclear risks insurance	-	-	-	-	
Performance bond insurance	278	(278)	-	-	
Credit insurance	-	-	-	-	
Other property insurance	3,339	(925)	-	2,414	
Personal accident insurance	46,753	(11,135)	-	35,618	
Commercial Earthquake Insurance	-	-	-	-	
Personal omnibus insurance	557	512	-	1,069	
Commercial omnibus insurance	16	(13)	-	3	
Typhoon and flood insurance	-	-	-	-	
Government-sponsored earthquake insurance policy	-	-	-	-	
One-year health insurance	36	10,802	-	10,838	
Mandatory micro liabilities insurance for electric bikes	304	470	-	774	
Share of foreign coverage	-	-	-	-	
	<u>323,002</u>	<u>(35,608)</u>	<u>-</u>	<u>287,394</u>	
	<u>\$ 1,524,494</u>	<u>(\$ 437,006)</u>	<u>\$ -</u>	<u>\$ 1,087,488</u>	

The First Insurance Co., Ltd.
Special claim reserve variation accounts
January 1 to December 31, 2024

Account set 16

Unit: NTD thousand

Item	Opening balance	Current period variations	Other changes	Closing balance	Remarks
Mandatory automobile liabilities insurance for private vehicle	\$ 207,199	\$ 30,414	\$ -	\$ 237,613	
Mandatory automobile liabilities insurance for commercial vehicle	(63,978)	790	-	(63,188)	
Mandatory liabilities insurance for motorcycle	545,604	30,564	-	576,168	
Nuclear risks insurance	74,687	-	-	74,687	
Commercial earthquake insurance	662,387	(135,246)	-	527,141	
Typhoon and flood insurance	236,586	(70,251)	-	166,335	
Government-sponsored residential earthquake insurance	197,532	-	-	197,532	
Mandatory micro liabilities insurance for electric bikes	419	(201)	-	218	
	<u>\$ 1,860,436</u>	<u>(\$ 143,930)</u>	<u>\$ -</u>	<u>\$ 1,716,506</u>	

The First Insurance Co., Ltd.
Special earnings reserve (for major incidents and change of risk) provision worksheet
January 1 to December 31, 2024

Account set 17

Unit: NTD thousand

Insurance category	Earned retained premium	Expected claims		Retained (actual) claims	Current period provision for special earnings reserve				
		Expected loss rate	Amount of expected claims		Provision rate %	Provision at fixed rate	Provision for below-expectation claims	Income tax effect	Total provisions
One-year residential fire insurance	\$ 128,501	55.65%	\$ 71,511	\$ 28,142	3.00%	\$ 3,855	\$ 6,505	\$ 2,072	\$ 8,288
Long-term residential fire insurance	1,310	55.50%	727	(24)	1.00%	13	113	25	101
One-year commercial fire insurance	291,517	56.53%	164,795	182,452	5.00%	14,576	-	2,915	11,661
Long-term commercial fire insurance	8	50.00%	4	13	5.00%	-	-	-	-
Inland marine insurance	20,678	60.50%	12,510	393	3.00%	620	1,818	488	1,950
Freight insurance	321,427	60.50%	194,463	95,647	5.00%	16,071	14,822	6,178	24,715
Marine hull insurance	6,142	70.30%	4,318	(5,866)	5.00%	307	1,528	367	1,468
Shipping vessel insurance	13,579	70.30%	9,546	(592)	5.00%	679	1,521	440	1,760
Aviation Insurance	1,392	75.36%	1,049	(56)	7.00%	97	166	52	211
General automobile hull insurance for private vehicle	2,118,042	65.50%	1,387,317	1,125,097	1.00%	21,180	39,333	12,102	48,411
General automobile hull insurance for commercial vehicle	23,946	66.85%	16,008	16,629	1.00%	239	-	47	192
General liabilities insurance for private vehicle	2,047,460	65.78%	1,346,819	1,188,473	1.00%	20,475	23,752	8,846	35,381
General liabilities insurance for commercial vehicle	105,366	66.94%	70,532	73,522	1.00%	1,054	-	211	843
Mandatory automobile liabilities insurance for private vehicle	-	-	-	-	-	-	-	-	-
Mandatory automobile liabilities insurance for commercial vehicle	-	-	-	-	-	-	-	-	-
Mandatory liabilities insurance for motorcycle	-	-	-	-	-	-	-	-	-
General liabilities insurance	221,437	69.80%	154,563	52,266	1.00%	2,214	15,345	3,512	14,047
Professional liability insurance	11,736	69.72%	8,182	1,239	1.00%	117	1,041	231	927
Engineering insurance	75,447	60.98%	46,008	26,113	5.00%	3,772	2,984	1,351	5,405
Nuclear risks insurance	-	-	-	-	-	-	2,484	497	1,987
Performance bond insurance	7,753	72.42%	5,615	(410)	3.00%	233	989	245	977
Credit insurance	181	66.30%	120	(845)	3.00%	5	145	30	120
Other property insurance	32,554	72.48%	23,595	16,814	6.00%	977	1,113	418	1,672
Personal accident insurance	449,019	0.00%	-	182,044	3.00%	8,512	27,114	7,125	28,501
Commercial earthquake insurance	137,036	60.00%	82,222	213,521	7.00%	9,593	-	1,919	7,674
Personal omnibus insurance	37,897	68.30%	25,883	8,175	1.00%	379	2,656	607	2,428
Commercial omnibus insurance	1,286	69.98%	900	(8)	3.00%	39	136	35	140
Typhoon and flood insurance	91,882	60.00%	55,129	122,618	7.00%	6,432	-	1,287	5,145
Government-sponsored residential earthquake insurance	-	-	-	-	-	-	13,237	2,648	10,589
One-year health insurance	92,067	81.47%	75,007	82,316	3.00%	3,060	-	612	2,448
Mandatory micro liabilities insurance for electric bikes	-	-	-	-	-	-	-	-	-
Share of foreign coverage	3,489	69.19%	2,414	(168)	-	183	418	120	481
Total	\$ 6,241,152		\$ 3,759,237	\$ 3,407,505		\$ 114,682	\$ 157,220	\$ 54,380	\$ 217,522

The First Insurance Co., Ltd.
Special earnings reserve (for major incidents and change of risk) reversal worksheet
January 1 to December 31, 2024

Account set 18

Unit: NTD thousand

Title	Cumulative special earnings reserve from previous period	Cumulative special earnings reserve from previous period plus current provisions	Special reserve reversed in current period					Cumulative special earnings reserve in current period
			Reversal for above-expectation claims	Reversal for excess above earned retained premium	Offset between insurance categories	Income tax effect	Total reversals	
One-year residential fire insurance	\$ 78,539	\$ 86,827	\$ -	\$ 1,752	\$ -	\$ 298	\$ 1,454	\$ 85,373
Long-term residential fire insurance	2,397	2,498	-	121	-	24	97	2,401
One-year commercial fire insurance	134,715	146,376	-	-	-	-	-	146,376
Long-term commercial fire insurance	463	463	7	-	-	1	6	457
Inland marine insurance	10,511	12,461	-	-	-	-	-	12,461
Freight insurance	165,489	190,204	-	-	-	-	-	190,204
Marine hull insurance	3,571	5,039	-	-	-	-	-	5,039
Shipping vessel insurance	10,405	12,165	-	-	-	-	-	12,165
Aviation Insurance	2,397	2,608	-	-	-	-	-	2,608
General automobile hull insurance for private vehicle	468,566	516,977	-	-	-	-	-	516,977
General automobile hull insurance for commercial vehicle	5,618	5,810	621	-	-	124	497	5,313
General liabilities insurance for private vehicle	146,406	181,787	-	-	-	-	-	181,787
General liabilities insurance for commercial vehicle	18,449	19,292	-	-	-	-	-	19,292
General liabilities insurance	78,850	92,897	-	-	-	-	-	92,897
Professional liability insurance	4,915	5,842	-	-	-	-	-	5,842
Engineering insurance	27,896	33,301	-	-	-	-	-	33,301
Nuclear risks insurance	40,283	42,270	-	-	-	-	-	42,270
Performance bond insurance	7,001	7,978	-	1,119	-	195	924	7,054
Credit insurance	729	849	-	223	-	45	178	671
Other property insurance	11,891	13,563	-	-	-	-	-	13,563
Personal accident insurance	191,035	219,536	-	21,896	-	3,722	18,174	201,362
Commercial earthquake insurance	482,987	490,661	-	-	-	-	-	490,661
Personal omnibus insurance	13,707	16,135	-	-	-	-	-	16,135
Commercial omnibus insurance	612	752	-	-	-	-	-	752
Typhoon and flood insurance	260,835	265,980	-	-	-	-	-	265,980
Government-sponsored earthquake insurance policy	350,369	360,958	-	-	-	-	-	360,958
One-year health insurance	8,658	11,106	38	-	-	8	30	11,076
Share of foreign coverage	3,593	4,074	-	2,105	-	421	1,684	2,390
Total	\$ 2,530,887	\$ 2,748,409	\$ 666	\$ 27,216	\$ -	\$ 4,838	\$ 23,044	\$ 2,725,365

The First Insurance Co., Ltd.
 Other liability accounts
 December 31, 2024

Account set 19

Unit: NTD thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>
Other liabilities		
Guarantee deposits received	Rental deposit	<u>\$ 16,232</u>
Other liabilities – others	Amount collected on behalf	94,980
	Amount received in advance	<u>2,098</u>
		<u>97,078</u>
		<u>\$ 113,310</u>

The First Insurance Co., Ltd.
Retained earned premium accounts
January 1 to December 31, 2024

Account set 20

Unit: NTD thousands unless specified otherwise

Insurance category	Premium revenues	Reinsurance Premium	Reinsurance expenses	Retained premium	Method of provision	Net change in unearned premium reserve	Retained earned premium
One-year residential fire insurance	\$ 132,604	\$ -	\$ -	\$ 132,604	Note 9	\$ 4,103	\$ 128,501
Long-term residential fire insurance	(85)	-	(76)	(9)	Note 1	(1,319)	1,310
One-year commercial fire insurance	604,001	6,303	296,630	313,674	Note 9	22,157	291,517
Long-term commercial fire insurance	-	(3)	-	(3)	Note 1	(11)	8
Inland marine insurance	19,787	-	-	19,787	Note 5	(890)	20,677
Freight insurance	365,441	2,506	43,438	324,509	Note 5	3,082	321,427
Marine hull insurance	41,932	95	35,893	6,134	Note 9	(9)	6,143
Shipping vessel insurance	34,136	988	21,975	13,149	Note 9	(430)	13,579
Aviation Insurance	128,821	-	127,633	1,188	Note 9	(204)	1,392
General automobile hull insurance for private vehicle	2,267,998	-	154,430	2,113,568	Note 9	(4,474)	2,118,042
General automobile hull insurance for commercial vehicle	19,561	-	1,361	18,200	Note 9	(5,746)	23,946
General liabilities insurance for private vehicle	2,263,367	-	153,966	2,109,401	Note 9	61,940	2,047,461
General liabilities insurance for commercial vehicle	90,575	-	6,250	84,325	Note 9	(21,040)	105,365
Mandatory automobile liabilities insurance for private vehicle	532,295	159,214	209,756	481,753	Note 3	(5,913)	487,666
Mandatory automobile liabilities insurance for commercial vehicle	31,876	28,902	16,694	44,084	Note 3	(2,882)	46,966
Mandatory liabilities insurance for motorcycle	181,483	84,453	81,953	183,983	Note 3	(748)	184,731
General liabilities insurance	352,763	13,841	126,767	239,837	Note 9	18,401	221,436
Professional liability insurance	23,216	288	7,079	16,425	Note 9	4,689	11,736
Engineering insurance	136,199	71,035	120,108	87,126	Note 9	11,678	75,448
Nuclear risks insurance	-	5,303	-	5,303	Note 4	335	4,968
Performance bond insurance	8,225	1,321	2,025	7,521	Note 9	(232)	7,753
Credit insurance	-	-	-	-	Note 6	(181)	181
Other property insurance (agriculture + other property)	76,681	3,141	45,644	34,178	Note 9	791	33,387
Personal accident insurance	621,781	4,650	178,951	447,480	Notes 5, 7 and 9	(1,539)	449,019
Commercial earthquake insurance	291,344	8,299	149,736	149,907	Note 9	12,872	137,035
Personal omnibus insurance	53,873	-	3,500	50,373	Note 9	12,476	37,897
Commercial omnibus insurance	2,507	-	1,127	1,380	Note 9	93	1,287
Typhoon and flood insurance	196,233	2,760	99,081	99,912	Note 9	8,030	91,882
Government-sponsored earthquake insurance policy	272,689	41,191	272,689	41,191	Note 2	3,720	37,471
One-year health insurance	187,887	-	91,236	96,651	Note 9	4,584	92,067
Mandatory micro liabilities insurance for electric bikes	4,139	1,305	1,521	3,923	Note 3	808	3,115
Share of foreign reinsurance coverage	-	2,257	-	2,257	Note 8	(399)	2,656
	<u>\$ 8,941,329</u>	<u>\$ 437,849</u>	<u>\$ 2,249,367</u>	<u>\$ 7,129,811</u>		<u>\$ 123,742</u>	<u>\$ 7,006,069</u>

- Note 1: Provisions for long-term fire insurance were made according to the latest coefficients amended and approved in Letter Tai-Cai-Bao-Zi No. 852363214.
- Note 2: For the policy-based earthquake insurance, the Company complies with "Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance" stipulated in Instruction Jin-Guan-Bao-Chan-Zi No. 11304909161 dated March 27, 2024 and makes monthly provisions according to the unearned premium reserve sheet that Taiwan Residential Earthquake Insurance Fund distributes to each of its reinsurance members.
- Note 3: For mandatory automobile/motorcycle liabilities insurance, provisions are made according to Orders under Jin-Guan-Bao-Chan-Zi No. 11104520199, Jin-Guan-Bao-Chan-Zi No. 11104617461 and Jin-Guan-Bao-Chan-Zi No. 11304922071, whereas insurance coverage is provided in accordance with Instruction Jin-Guan-Bao-Chan-Zi No. 11304929711.
- Note 4: For nuclear risks insurance, provisions are made according to "Regulations for the Management of the Various Reserves for Nuclear Risks Insurance by Non-life Insurance Enterprises" stipulated in Instruction Jin-Guan-Bao-Cai-Zi No. 10102517091 dated December 28, 2012.
- Note 5: For omnibus travel coverage in freight insurance and accident insurance, provisions are made based on written premiums of active policies using average duration as the assumption, and by following the methods outlined in Letter Tai-Cai-Bao-Zi No. 0920704423 issued by Department of Insurance, Ministry of Finance.
- Note 6: For credit insurance, provisions are made according to the percentages that The Non-Life Insurance Association had stipulated for "consumer credit insurance" in September 2001 and for "financial institution small credit insurance" in August 2005.
- Note 7: For group coverage in accident insurance and health insurance products, provisions are made according to "Reserve Provisioning Methods for Insurance Companies" outlined in Instruction Jin-Guan-Bao-Cai-Zi No. 10102501561, and the basis of the premium mentioned in Instruction Jin-Guan-Bao-Cai-Zi No. 11004925801 dated June 29, 2021.
- Note 8: For coverage assumed through reinsurance, premium reserves are provided according to Article 6 of "Reserve Provisioning Methods for Insurance Companies" stipulated in Jin-Guan-Bao-Cai-Zi No. 10102501561. The Company has adopted the one-twenty-fourth method, and details of implementation are determined by actuarial personnel based on the nature of each insurance category.
- Note 9: For other insurance, premium reserves are provided according to Article 6 of "Reserve Provisioning Methods for Insurance Companies" stipulated in Jin-Guan-Bao-Cai-Zi No. 10102501561. The Company has adopted the one-twenty-fourth method; details of implementation are determined by actuarial personnel based on the nature of each insurance category, which have been acknowledged by the Department of Insurance under Letter Tai-Cai-Bao No. 0920704423.

The First Insurance Co., Ltd.
Interest income accounts
January 1 to December 31, 2024

Account set 21

Unit: NTD thousand

Item	Summary	Amount
Interest from bond investments		\$ 91,154
Interest from bank deposits		79,281
Interest from mandatory automobile liabilities insurance		11,504
Dividend from securitized real estate beneficiary certificates		5,774
Interest on fund beneficiary certificates		<u>1,210</u>
		<u><u>\$ 188,923</u></u>

The First Insurance Co., Ltd.
Gain and loss accounts for financial assets/liabilities at fair value through profit and loss
January 1 to December 31, 2024

Account set 22

Unit: NTD thousand

Item	Summary	Amount
Equity instruments		
Valuation gains/losses		\$ 60,683
Trading gains/losses		30,193
Dividend income		<u>18,095</u>
		<u>108,971</u>
Debt instruments		
Valuation gains/losses		(<u>487</u>)
		(<u>487</u>)
		<u>\$ 108,484</u>

The First Insurance Co., Ltd.
 Realized gain and loss accounts for financial assets/liabilities at fair value through other
 comprehensive income
 January 1 to December 31, 2024

Account set 23

Unit: NTD thousand

Item	Summary	Amount
Equity instrument		
Dividend income		<u>\$ 90,341</u>

The First Insurance Co., Ltd.
Investment property gain and loss accounts
January 1 to December 31, 2024

Account set 24

Unit: NTD thousand

Item	Summary	Amount
Gain on investment property		
Rental income		\$ <u>72,411</u>
Expenses and losses of investment property		
Expenses on investment property		(8,062)
Depreciation on investment property		(<u>6,227</u>)
		(<u>14,289</u>)
		<u>\$ 58,122</u>

The First Insurance Co., Ltd.
 Expected credit impairment loss and reversal gain on investment accounts
 January 1 to December 31, 2024

Account set 25	Unit: NTD thousand
Item	Amount of reversal of gains (impairment loss)
Bank debenture	\$ 8,344
Corporate bond	(637)
Government bonds	68
	\$ 7,775

The First Insurance Co., Ltd.
Retained claim and benefit payment accounts
January 1 to December 31, 2024

Account set 26

Unit: NTD thousand

Insurance category	Insurance claims (including claim-related expenses)	Claims paid for reinsurance	Claims recovered from reinsurers	Retained claims
01 One-year residential fire insurance	\$ 21,122	\$ -	\$ -	\$ 21,122
02 Long-term residential fire insurance	65	888	58	895
03 One-year commercial fire insurance	675,569	13	515,291	160,291
04 Long-term commercial fire insurance	-	-	-	-
05 Inland cargo insurance	465	-	-	465
06 Freight insurance	57,632	9	7,489	50,152
07 Marine hull insurance	18,394	-	15,555	2,839
08 Shipping vessel insurance	5,131	(148)	4,361	622
09 Aviation Insurance	7,319	-	6,443	876
10 General automobile hull insurance for private vehicle	1,280,061	-	131,906	1,148,155
11 General automobile hull insurance for commercial vehicle	20,101	-	1,598	18,503
12 General liabilities insurance for private vehicle	1,244,078	-	113,901	1,130,177
13 General liabilities insurance for commercial vehicle	118,390	-	9,473	108,917
14 Mandatory automobile liabilities insurance for private vehicle	364,112	152,027	220,548	295,591
15 Mandatory automobile liabilities insurance for commercial vehicle	36,758	27,218	22,182	41,794
16 Mandatory liabilities insurance for motorcycle	130,244	73,475	75,405	128,314
17 General liabilities insurance	88,369	5,135	31,865	61,639
18 Professional liability insurance	210	-	120	90
19 Engineering insurance	44,994	13,967	35,185	23,776
20 Nuclear risks insurance	-	109	-	109
21 Performance bond insurance	(198)	560	(62)	424
22 Credit Insurance	(821)	(39)	(9)	(851)
23 Other property insurance	15,004	2,003	2,694	14,313
24 Personal accident insurance	272,629	2,092	91,011	183,710
25 Commercial earthquake insurance	70,145	248	5,264	65,129
26 Personal omnibus insurance	7,853	-	2,402	5,451
27 Commercial omnibus insurance	35	-	19	16
28 Typhoon and flood insurance	5,426	227	242	5,411
29 Government-sponsored earthquake insurance policy	3,400	24,042	3,400	24,042
30 One-year health insurance	139,461	-	69,302	70,159
31 Share of foreign reinsurance coverage	-	(137)	-	(137)
32 Mandatory micro liability insurance for electric bikes	2,010	437	1,206	1,241
	<u>\$ 4,627,958</u>	<u>\$ 302,126</u>	<u>\$ 1,366,849</u>	<u>\$ 3,563,235</u>

The First Insurance Co., Ltd.
Commission expense accounts
January 1 to December 31, 2024

Account set 27

Unit: NTD thousand

Item	Summary	Amount
Commission expense		
General automobile hull insurance for private vehicle		\$ 396,820
General liabilities insurance for private vehicle		372,072
Personal accident insurance		123,970
Others		<u>285,114</u>
		<u>1,177,976</u>
Reinsurance commission expense		
Engineering insurance		20,810
General liabilities insurance		2,586
Other insurance		<u>1,328</u>
		<u>24,724</u>
		<u>\$ 1,202,700</u>

Note: If the balance under each insurance category exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Operating expense accounts
January 1 to December 31, 2024

Account set 28

Unit: NTD thousands unless specified otherwise

	Selling expenses	Administrative expenses	Staff training expenses	Expected credit impairment loss on non-investments	Total
Payroll expenses	\$ 603,608	\$ 134,311	\$ -	\$ -	\$ 737,919
Taxes	211,374	-	-	-	211,374
Advertising	193,521	-	-	-	193,521
Postage	80,139	-	-	-	80,139
Other expenses	<u>377,800</u>	<u>666</u>	<u>2,557</u>	<u>3,933</u>	<u>384,956</u>
	<u>\$1,466,442</u>	<u>\$ 134,977</u>	<u>\$ 2,557</u>	<u>\$ 3,933</u>	<u>\$1,607,909</u>

Note: If the customer's balance exceeds 5% of this category, it is listed as above.

The First Insurance Co., Ltd.
Summary of current employee welfare, depreciation and amortization by function
For periods from January 1 to December 31, 2024 and 2023

Account set 29

Unit: NTD thousands, except for Note 2 which is in dollars

	2024			2023		
	Presented as operating cost	Presented as operating expense	Total	Presented as operating cost	Presented as operating expense	Total
Employee welfare expenses						
Salary	\$ 330,309	\$ 696,122	\$ 1,026,431	\$ 344,325	\$ 608,997	\$ 953,322
Labor/health insurance premium	-	66,945	66,945	-	66,110	66,110
Pension expense	-	26,474	26,474	-	26,883	26,883
Remuneration to Director	-	15,323	15,323	-	12,940	12,940
Other employee welfare expenses	-	19,347	19,347	-	19,346	19,346
	<u>\$ 330,309</u>	<u>\$ 824,211</u>	<u>\$ 1,154,520</u>	<u>\$ 344,325</u>	<u>\$ 734,276</u>	<u>\$ 1,078,601</u>
Depreciation	<u>\$ 6,227</u>	<u>\$ 23,502</u>	<u>\$ 29,729</u>	<u>\$ 6,121</u>	<u>\$ 27,670</u>	<u>\$ 33,791</u>
Amortization expenses	<u>\$ -</u>	<u>\$ 14,472</u>	<u>\$ 14,472</u>	<u>\$ -</u>	<u>\$ 16,357</u>	<u>\$ 16,357</u>

Notes:

1. The Company employed a total of 856 employees both in the current year and in the previous year. The number of directors without concurrent roles as an employee was 12 in both years.
2. Supplementary disclosure under the annual parent company only financial statements:
 - (1) Employee welfare expenses averaged NT\$1,349,759 per employee in the current year ("Total employee welfare expense for the year - total director remuneration" / "employee count - No. of directors without concurrent role as employee" for the current year).
Employee welfare expenses averaged NT\$1,262,631 per employee in the previous year ("Total employee welfare expense for the previous year - total director remuneration" / "employee count - No. of directors without concurrent role as employee" for the previous year).
 - (2) Payroll expenses averaged NT\$1,216,150 per employee in the current year (Total payroll expenses in the current year / "employee count - No. of directors without concurrent role as employee" for the current year).
Payroll expenses averaged NT\$1,129,528 per employee in the previous year (Total payroll expenses in the previous year / "employee count - No. of directors without concurrent role as employee" for the previous year).
 - (3) Change in average payroll expenses was calculated at 7.67% ("Payroll expense per employee in the current year - payroll expense per employee in the previous year" / "payroll expense per employee in the previous year").
 - (4) Please state the Company's remuneration policy (including that for directors, supervisors, managers and employees)
Remuneration policy:
Remuneration policy for managers and directors
 1. Evaluation on performance shall be made, and compensation and remuneration shall be determined with reference to the normal compensation and remuneration levels in the industry. The rationality of the association with their individual performance, the Company's business performance, and future risks shall also be taken into account.
 2. The Company shall not encourage acts outside of the Company's risk appetite for additional compensation. The compensation system and performance shall be reviewed regularly to ensure that decisions are made within the Company's risk appetite.
 3. The proportion of dividends to be paid based on their short-term performance and change in timing for payment of compensation and remuneration shall be determined after the characteristics of the industry and the nature of the Company's businesses are considered.

Remuneration policy for employees

The employee remuneration primarily consists of monthly salary (monthly salary including the base pay, supervisory allowance, duty allowance, profession allowance), performance bonus and year-end & festival bonus, etc. Meanwhile, according to Article 31 of the Company's Articles of Incorporation, annual profits concluded by the Company are subject to employee remuneration of at least 1%, which the Board of Directors may decide to distribute in cash or shares. Employees who meet certain criteria are entitled to receive remuneration.

The First Insurance Co., Ltd.
Other disclosures of the financial statements
and Auditors' review report
2024

The First Insurance Co., Ltd.
Other disclosures of the financial statements and auditors' review report

To stakeholders of The First Insurance Co., Ltd.:

We have audited the 2024 financial statements of The First Insurance Co., Ltd., in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and applicable auditing standards, and issued the audit report with unqualified opinions on March 11, 2025. The purpose of this audit was to express opinions on the overall financial statement preparation. Attached are other disclosures relating to the 2024 financial report of The First Insurance Co., Ltd. These disclosures have been prepared separately in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, which we have reviewed according to Notes on Review of Other Disclosures of Financial Report.

In our opinion, other disclosures relating to the 2024 financial report of The First Insurance Co., Ltd. have been made in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises; the financial information presented was consistent with the financial statements, and no material amendment was required.

Deloitte Taiwan
CPA: Hai-Yueh Huang

CPA: Sheng-Tai Liang

March 11, 2025

The First Insurance Co., Ltd.
Other disclosures of the financial report
2024

One. Business activities

I. Major business-related events:

- (I) Any merger, acquisition, divestment, change of (equity) ownership by 10% or above, transfer of business activity, investment in affiliated companies, or restructuring in the last 5 years: None.
- (II) Any acquisition or disposal of critical assets in the last 5 years:
 - 1. Acquisition of critical assets: None.
 - 2. Disposal of critical assets: None.
- (III) Any major change in operations (including marketing system) or business activities: None.

II. Background and compensation of directors (including independent directors), supervisors, President and Executive Vice Presidents:
(I) Compensation to directors (including independent directors)

Unit: NTD thousand

Title	Name	Remuneration to Director								Sum of A, B, C, and D as a percentage of net income		Remuneration for performance of works as employees.								Sum of A, B, C, D, E, F, and G and relative percentage to net income		Compensation from parent company or business investments other than subsidiaries
		Remuneration (A) (Note 1)		Severance payment and pension (B)		Director remuneration (C)		Fees for services rendered (D) (Note 2)				Salaries, bonuses, special allowances etc. (E) (Note 3)		Severance payment and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All companies included in the consolidated statements	
Chairman	Yi Chih Co., Ltd. Representative: C. H. Lee	7,300	-	-	-	5,064	-	-	-	12,364 1.37%	-	2,183	-	-	-	33	-	-	-	14,580 1.61%	-	None
Director	Chien Yi Industrial Co., Ltd. Representative: Cheng-Tsung Lee																					
Director	Cheng-Tu Lee																					
Director	Edward Y. C. Lee																					
Director	Chien Cheng Development Co., Ltd. Representative: Tien-Ching Yang																					
Director	Shao-Ying Lee																					
Director	Chimax Development Company Representative: Chi-Chen Tu																					
Director	OSTA Trading Co., Ltd. Representative: Chien-Yi Hsu																					
Director	Cheng-Chin Lee																					
Director	Chang-Yi Chang																					
Independent Director	Jui-Tung Lu	1,440	-	-	-	1,519	-	-	-	2,959 0.33%	-	-	-	-	-	-	-	-	-	2,959 0.33%	-	None
Independent Director	Jui-Chou Lin																					
Independent Director	Hsiu-Mei Lin																					

1. Please explain the policy, system, standards and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:

Policy:

The Company shall evaluate independent directors' performance and determine compensation packages in reference to peer level. The compensation shall take into account individual performance, corporate performance and association with future risks. It shall not encourage independent directors to act outside of the Company's risk appetite for additional compensation. The compensation system and performance shall be reviewed regularly to ensure that decisions are made within the Company's risk appetite.

System:

The link between independent directors' compensation and performance is evaluated to ensure the rationality and effectiveness of the performance assessment and compensation system, and thereby maintain competitiveness of the compensation and welfare package offered.

Standards and structure:

Independent directors are compensated for the services rendered, and the package includes fixed compensations, travel allowances, remuneration and bonuses.

Association between the amount paid and the responsibilities assumed, risks undertaken and time committed:

Linkage between performance of the Company's directors and compensation and remuneration: With respect to remuneration to directors of the Company, in accordance with Article 31 of the Articles of Incorporation, if the Company is profitable in a fiscal year, it may, by board resolution, set aside no more than 0.6% (inclusive) of its surplus profit as remuneration to directors (including independent directors), and a reasonable amount of remuneration shall be paid to a director after taking account of the results of the Company's operations and the director's contribution to the results. With respect to payment of remuneration, the Company uses results of the assessment made under the regulations governing performance evaluation of and compensation and remuneration to the Company's directors as references. In addition to the Company's overall operation performance, future operating risks in and development trends of the industry, the Company also makes reference to directors' performance achievement rates and their contribution to the Company when determining the reasonable compensation to be paid to the directors. The relevant performance evaluation and reasonableness of remuneration shall be subject to review by the Remuneration Committee and the Board of Directors. When appropriate, the Company reviews the remuneration systems in accordance with the relevant laws at any time in light of its actual operating conditions so as to strike a balance between the Company's sustainable operation and risk control.

2. Compensation received by the director for providing service to any company included in the financial statements (e.g., consultancy service without the title of an employee of the Company) in the last year, except those disclosed in the above table: NT\$180 thousand.

Payment scale of remuneration to the Directors of the Company	Name of Director			
	Sum of first 4 compensations (A + B + C + D)		Sum of first 7 remunerations (A + B + C + D + E + F + G)	
	The Company	All companies included in the consolidated statements (I)	The Company	All companies included in the consolidated statements (J)
Below NT\$1,000,000	Cheng-Tu Lee, Shao-Ying Lee, Representative of Chimax Development Company; Chi-Chen Tu, Chang-Yi Chang, Y. C. Lee, Cheng-Chin Lee, Representative of Chien Cheng Development Co., Ltd.: Tien-Ching Yang, Representative of OSTA Trading Co., Ltd.: Chien-Yi Hsu, Jui-Tung Lu, Jui-Chou Lin, Hsiu-Mei Lin	-	Cheng-Tu Lee, Shao-Ying Lee, Representative of Chimax Development Company; Chi-Chen Tu, Chang-Yi Chang, Cheng-Chin Lee, Representative of Chien Cheng Development Co., Ltd.: Tien-Ching Yang, Representative of OSTA Trading Co., Ltd. Chien-Yi Hsu, Jui-Tung Lu, Jui-Chou Lin, Hsiu-Mei Lin	-
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	Chien Yi Industrial Co., Ltd. Representative: Cheng-Tsung Lee	-	Chien Yi Industrial Co., Ltd. Representative: Cheng-Tsung Lee	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (non-inclusive)	-	-	Edward Y. C. Lee	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (non-inclusive)	Yi Chi Co., Ltd.; Representative: C. H. Lee	-	Yi Chi Co., Ltd.; Representative: C. H. Lee	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (non-inclusive)	-	-	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (non-inclusive)	-	-	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (non-inclusive)	-	-	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (non-inclusive)	-	-	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (non-inclusive)	-	-	-	-
More than NT\$100,000,000	-	-	-	-
Total	13	-	13	-

Note 1: Refers to director's compensation in the last year (including salaries, allowances, severance pay, various bonuses and incentives).

Note 2: Refers to compensation paid for services rendered (including travel, special allowances, subsidies, accommodation, corporate vehicle and in-kind benefits). If housing, company car and other means of transportation were provided or the spending is exclusive to particular person, disclosure the nature of the assets provided and the cost thereof, rent actually disbursed or at fair market value, fuel allowance and other subsidies. If a driver was assigned, specify the remuneration to such driver but not include as a part of the remuneration.

Note 3: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles, in-kind benefits etc. that the director received in the latest year for assuming the role of a company employee (such as President, Executive Vice President, manager or other employee). If housing, company car and other means of transportation were provided or the spending is exclusive to particular person, disclosure the nature of the assets provided and the cost thereof, rent actually disbursed or at fair market value, fuel allowance and other subsidies. If a driver was assigned, specify the remuneration to such driver but not include as a part of the remuneration.

(II) Compensation to President and Executive Vice Presidents

Unit: NTD thousand

Title	Name	Salaries (A) (Note 1)		Severance payment and pension (B)		Bonuses and special allowances (Note 2) (C)		Remuneration to employees (D)				Sum of A, B, C, and D as a percentage of net income (%)		Quantity of shares entitled under employee stock warrants		Compensation from parent company or business investments other than subsidiaries
		The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company		All companies included in the consolidated statements		The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock					
President	Hsin-Qun Chen	23,285	-	-	-	-	-	346	-	-	-	23,631 2.62%	-	-	-	None
Executive Vice President	Yin-Lung Chen															
Executive Vice President	Jen-Huai Liu															
Executive Vice President	Ching-Chang Chen															
Executive Vice President	Yeong-Rong Hsiao															
Executive Vice President	Shu-Ling Chen															
Executive Vice President	Te-Chun Chiang															
Executive Vice President	Wen-Tung Yen															
Executive Vice President	Neil Yen															

Brackets along the scale for payments to the Presidents and individual Executive Vice Presidents.	Names of the President and Executive Vice Presidents	
	The Company	All companies included in the consolidated statements (E)
Below NT\$1,000,000	-	-
NT\$ 1,000,000 (inclusive) ~ NT\$ 2,000,000 (non-inclusive)	Shu-Ling Chen	-
NT\$2,000,000 (inclusive) ~ NT\$3,500,000 (non-inclusive)	Ching-Chang Chen; Jen-Huai Liu; Yi-Lung Chen; Yeong-Rong Hsiao; Wen-Tung Yen; Te-Chun Chiang; Neil Yen	-
NT\$3,500,000 (inclusive) ~ NT\$5,000,000 (non-inclusive)	Hsin-Qun Chen	-
NT\$5,000,000 (inclusive) ~ NT\$10,000,000 (non-inclusive)	-	-
NT\$10,000,000 (inclusive) ~ NT\$15,000,000 (non-inclusive)	-	-
NT\$15,000,000 (inclusive) ~ NT\$30,000,000 (non-inclusive)	-	-
NT\$30,000,000 (inclusive) ~ NT\$50,000,000 (non-inclusive)	-	-
NT\$50,000,000 (inclusive) ~ NT\$100,000,000 (non-inclusive)	-	-
More than NT\$100,000,000	-	-
Total	9	-

Note: Refers to salaries, allowances, and severance pay made to the President and Executive Vice Presidents in the last year.

(III) Names of managers entitled to employee remuneration and amount entitled

Unit: NTD thousand

Item	Title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	Total	Total and as a percentage of net income (%)
Manager	President	Hsin-Qun Chen	-	833	833	833 0.09%
	Executive Vice President	Yeong-Rong Hsiao				
	Executive Vice President	Yin-Lung Chen				
	Executive Vice President	Ching-Chang Chen				
	Executive Vice President	Jen-Huai Liu				
	Executive Vice President	Wen-Tung Yen				
	Executive Vice President	Te-Chun Chiang				
	Executive Vice President	Neil Yen				
	Executive Vice President	Shu-Ling Chen				
	Region Assistant Vice President	Hsu-Wei Chen				
	Region Assistant Vice President	Yu-Jen Liu				
	Region Assistant Vice President	Ting-Hsiang Chao				
	Region Assistant Vice President	Chien-Sheng Chen				
	Assistant Vice President	Chang-Hung Chen				
	Assistant Vice President	Edward Y. C. Lee				
	Assistant Vice President	Chen-Hsiung Lin				
	Assistant Vice President	Tung-Ying Wu				
	Assistant Vice President	Kun-Ying Yeh				
	Assistant Vice President	Neng-Ting Chiang				
	Manager	Chuan-Wei Hu				
	Manager	Chen-Pei Wang				
	Manager	Hsueh-Tung Li				
	Manager	Jui-Yuan Lin				
	Manager	Pang-Yi Kao				
	Manager	Chiung-Chi Chu				
	Assistant Vice President, Accounting Dept.	Fei-Fen Hsiao				

Note 1: Names and titles have been disclosed separately, whereas earnings distribution has been disclosed in aggregate.

- (IV) Chairman, President, or any managers involved in financial or accounting affairs being employed by the accounting firm or any of its affiliated enterprises in the last year: None.
 - (V) Information about retired chairmen and presidents re-hired as consultants: None.
- III. Labor-Management Relationship:
- (I) Current major labor-management agreements and execution
 - 1. Employee welfare measures:
 - (1) The welfare measures provided by the Company include:
 - A. Labor insurance and national health insurance
 - B. Cash equivalent for Dragon Boat Festival and Mid-Autumn Festival gifts
 - C. Evaluation bonus, performance bonus, year-end bonus
 - D. Employee remuneration
 - E. Reward for excellent SDG project
 - F. Allowance for language proficiency test
 - G. Reward for participation in competition
 - H. Reward and allowance for underwriting & claims license examination
 - I. Booking of newspapers and magazines
 - J. Installation of breastfeeding rooms
 - K. Preferential childcare service organization by contract
 - L. Health promotion and pressure relieve courses
 - M. Health checkup leave with pay and subsidy for health checkup
 - N. Volunteer time off
 - O. Periodic health management and consulting service provided by occupational physicians and practicing registered nurses by contract
 - P. Paid leave on birthdays
 - (2) The welfare measures provided by the Committee
 - A. Cash gift for marriage
 - B. Relief fund
 - C. Family emergency allowance
 - D. Condolence money or wreaths for funeral
 - E. Group casualty insurance, cancer insurance and life insurance
 - F. Childbirth subsidy
 - G. Scholarship for employees and children
 - H. Birthday vouchers
 - I. Employee travel subsidies
 - 2. Training:

The Company's training programs have been designed according to operating strategies and human resource plans. The Company has internal and external professional courses available to help all employees gain professional knowledge, improve work efficiency/quality and develop the professional character needed to compete in the market. The Company also encourages employees to acquire insurance-related certificates, and offers incentives to train professional insurance talents.

The Company completed 806 internal and external training sessions in 2024 for a total of 3,865 hours. Enrollment count totaled 20,688, and NT\$1,572 thousand in training expenses were incurred.

3. Pension system:

The Company has retirement and pension policies in place that apply to all full-time employees. According to the above policies, employees' pension benefits and severance pay are calculated based on their years of service and 6-month average salary leading up to their retirement. Since July 1, 2005, the Company has been making monthly contributions totaling 6% of monthly for all employees who have adopted the new pension system introduced under the Labor Pension Act. These contributions are deposited into employees' individual pension accounts held under the Bureau of Labor Insurance.
 4. Other material agreements: None.
- (II) Losses suffered in the last 3 years as a result of employment dispute:
1. Losses as a result of employment dispute in the last year up until the publication date of annual report: NT\$600,000.
 2. Actual or potential losses and response measures: The Company complies with the Labor Standards Act and abides by regulations with respect to employee welfare. Significant attention has been directed to improving the work environment and maintaining productive interactions with employees, therefore the Company considers it extremely unlikely to suffer losses from employment dispute in the future.
- (III) Violations of Labor Standards Act found in a labor inspection: None.
- IV. Cyber security management:
- (I) Cyber security risk management framework:
- Roles and functions of the Company's information security-related organization are stated as follows:
1. Information Security Management Committee: The supreme management of the Resource Management Group shall serve as the Committee's convener, and the CIO as the vice convener. Meanwhile, an executive secretary shall be appointed to coordinate various operations of the Committee. Various insurance departments and information security-related departments shall delegate their representatives to join the Committee.
 2. Information Security Taskforce: The convener of Information Security Management Committee shall designate the taskforce leader, and have the leader designate several members responsible for executing the information security operations and promoting related technologies within the units.
 3. Asset Inventory-Taking and Risk Evaluation Taskforce: The convener of Information Security Management Committee shall designate the taskforce leader, and have the leader designate several members responsible for taking an inventory of assets and evaluating risks.
 4. Document Control Taskforce: The convener of Information Security Management Committee shall designate the taskforce leader, and have the leader designate several members responsible for issuing, recovering, keeping, loaning and destroying the information security management system documents, and managing versions thereof.
 5. Audit Taskforce: The convener of Information Security Management Committee shall designate the taskforce leader, and have the leader designate several members responsible for establishing related audit plans and executing the audit operations.
- (II) Cyber security policy

The Company's cyber security policy aims to strengthen the information security management and ensure the safety of information and data, system, equipment and network communications, in order to mitigate the risks arising from theft, unfair use, disclosure, tampering, damage or interrupted servicing of information assets caused by human errors, intentional sabotage, failure in equipment or natural calamity effectively. Meanwhile, the policy satisfies the ISMS requirements and ensures the confidentiality, completeness and availability of information assets.

(III) Cyber security management program:

1. Each of the Company's business departments must comply with the related government laws and regulations (e.g. Patent Act, Copyright Act, Personal Data Protection Act, and Enforcement Rules of the Personal Data Protection Act, etc.) when performing its job duties.
2. Establish the Information Security Management Committee responsible for building and promoting the Company's information security management system.
3. Build the context of the organization evaluation mechanism to define the information security policy and scope of the information security management system implementation, and verify the context of the organization and need and expectation of followers.
4. Establish the document control operating procedures to regulate the management principles for preparation, modification, codification and release of the information security system documents.
5. Establish the information asset management mechanism to prepare the overall planning for allocation and effective utilization of limited resources to solve the key security issues.
6. Establish the risk evaluation management regulations and identify the risks over various assets to help take adequate responsive measures, so as to control and mitigate the risks until they are acceptable.
7. Implement the information security education and training related to job duties periodically, and promote the information security policy and related requirements.
8. Establish the physical control room and environmental safety protection measures, and perform maintenance work periodically.
9. Regulate the authority of access to information system, network services and sensitive information specifically to prevent any access without authorization.
10. Establish the operating procedures for access to and development and maintenance of the information system; regulate the bases to be followed by the development or outsourcing of the system specifically; take into account the information security-related issues before construction or launch of the information system or service, in order to prevent any circumstances impairing system security.
11. Establish and execute the information security internal audit activities to practice the information security management system, and take corrective actions against any deficiencies.
12. Establish the business continuity plan for information security and exercise it physically to ensure the Company's business continuity in any contingency.

13. All of the Company's staff shall be obligated to maintain the information security, and shall understand and comply with related information security management requirements, and practice the same when performing their job duties.

(IV) Resources invested in cyber security management

The Company has established the information security dedicated unit responsible for promoting the information security operations, and also acquired the ISO27001 information security system management license. In order to maintain the effect of the license, the Company has executed the ISMS consultancy agreement with CHT, and also established the Information Security Management Committee. The Committee's convener is served by the managerial officer ranking vice president or above, in order to reflect the support to the information security from the Company's senior management. The management review meeting is convened periodically each year in order to supervise whether the information security procedures are carried out as required. The ISMS management meeting is also arranged from time to time each month. As a result, more than 25 related meetings have been convened, and more than 100 staff engaged in the work to review the validity of the information security protection measures and whether the anticipated goals are achieved or not. Meanwhile, the Company has purchased the data protection insurance from Nan Shan General Insurance Company, with the insured value amounting to US\$1 million in total, in order to mitigate the losses to be caused by the cyber security risk.

(V) List any losses suffered by the Company in the most recent year and up to the date of publication of the annual report publication due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: No significant information security incident occurred to the Company in 2024.

(VI) Financial impacts and response measures due to the cyber security risk:

If the Company is attacked by hackers and, therefore, the Company's important data or customers' personal data are disclosed, the Company might receive claims made by customers or hackers' request for ransom. If so, the Company will suffer a damaged reputation as well as lose money.

The responsive measures are 1. Report the case to the competent authority. 2. The Company shall take urgent actions and conduct investigation. 3. Ask any external professional information security entity, or Investigation Bureau or Criminal Investigation Bureau for help. 4. Strengthen the information security and reduce the possibility of attacks based on the analysis on malware samples and related information.

V. Change of President, chief internal auditor and certified actuary in the last 2 years:

	2024	2023
President	Hsin-Qun Chen	Hsin-Qun Chen
Chief internal auditor	Ching-Chang Chen	Ching-Chang Chen
Certified actuary	Chen-Hsiung Lin	Chen-Hsiung Lin

VI. Changes in reserve provisioning method:

All reserves are provided according to "Reserve Provisioning Methods for Insurance Companies" stipulated by the Financial Supervisory Commission, Executive Yuan, in Instruction Jin-Guan-Bao-Cai-Zi No. 10102501561. Certified actuaries are engaged to certify various reserves provided by the Company.

VII. For non-life insurance companies that had shareholder-resolved increase or reduction of capital or board-resolved issuance of new shares in the last year. any application

(or filing) that was not approved (or acknowledged) by the Securities and Futures Bureau, Financial Supervisory Commission, or any situation where change of capital was not approved by the Ministry of Economic Affairs: None.

VIII. Claims amounting to NT\$20 million or above paid or recovered from reinsurance in the last 3 years, and analysis of financial impact:

Unit: NTD thousand

Insurance category	Claim case No.	Date of claim payment	Amount of claim	Amount recovered	Financial impact (net loss)
Fire	11A064	September 25, 2024	136,309	110,002	(26,307)
Fire	12A072	December 26, 2024	450,121	416,187	(33,934)
Fire	12A162	December 16, 2024	48,902	4,890	(44,012)
Fire	09A138	December 19, 2023	116,552	116,552	-
Fire	10A091	December 27, 2023	76,516	44,516	(32,000)
Fire	11A058	February 28, 2023	25,192	2,519	(22,673)
Fire	11A064	November 1, 2023	67,336	52,185	(15,151)
Fire	12A030	August 16, 2023	34,000	24,100	(9,900)
Fire	12A072	December 27, 2023	40,074	4,007	(36,067)
Engineering/ liability insurance	CAR12/0033	November 21, 2023	51,585	30,713	(20,872)
Marine	L230134	December 18, 2023	46,618	-	(46,618)
Marine	H230001	October 30, 2023	51,642	7,650	(43,992)
Fire	09A138	March 9, 2022	32,771	8,009	(24,762)
Fire	10A091	September 12, 2022	20,000	2,000	(18,000)
Fire	11A046	October 25, 2022	30,162	3,016	(27,146)
Fire	11A064	December 23, 2022	37,966	29,423	(8,543)

IX. Name and credit rating of reinsurers where the amount of reinsurance premium expenses represented 1% or higher of total premium revenues in the last year:

Reinsurance companies	Credit Rating (S & P's Rating)
C.R.C	A
Toa Re (Note)	A
Swiss Re	AA-

Note: Credit rating of Toa Re was downgraded from A+ to A on January 25, 2023.

X. Date and outcome of external credit rating and name of rating agency, if applicable:

Name of rating agency	Date of rating	Rating outcome
Taiwan Ratings	November 20, 2024	tw AA

Two. Market price, dividend and ownership diversity

I. Information relating to market price, net worth, earnings, and dividends per share for the last 2 years

Item		Year	
		2024	2023
Market price per share (Note 1)	High	25.85	18.85
	Low	17.50	15.15
	Average	22.40	16.60
Net worth per share (Note 2)	Before dividend	28.88	26.99
	After dividend	Note 8	25.86
Earnings per share	Weighted average outstanding shares (in thousands)	301,164	301,164
	EPS (Note 3)	3.00	2.11
Dividends per share	Cash dividends	Note 8	1.13
	Stock dividends	From earnings	-
		From capital reserves	-
	Cumulative undistributed dividends (Note 4)	-	-
Analysis of investment returns	P/E ratio (Note 5)	7.47	7.87
	Price to dividends ratio (Note 6)	Note 8	14.69
	Cash dividend yield (Note 7)	Note 8	6.81

* Where stock dividends were paid from earnings or capital reserves, market price and cash dividends per share are adjusted retrospectively for the number of new shares issued.

Note 1: The Table shows the highest and lowest market price of common shares in each year; average market price is calculated by weighing transaction prices against transaction volumes in the respective years.

Note 2: Calculated based on the number of outstanding shares at year-end; amount of distribution resolved in next year's shareholder meeting is presented in the Table.

Note 3: Where stock dividends were issued, EPS are disclosed in amounts before and after retrospective adjustments.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up till the current year is disclosed separately.

Note 5: P/E ratio = average closing price per share for the year / earnings per share.

Note 6: Price to dividend ratio = average closing price per share for the year / cash dividends per share.

Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the current year.

Note 8: Dividends per share are presented based on the results resolved in shareholder meeting of the following year. The 2024 proposal had yet to be resolved in a shareholders' meeting.

II. Ownership diversity

Common shares
Face value - NT\$10 per share
December 31, 2024

Unit: shares

Shareholding range	Number of shareholders	Shares held	Shareholding percentage (%)
1 to 999	14,023	582,204	0.19%
1,000 to 5,000	5,013	10,828,649	3.60%
5,001 to 10,000	1,025	8,330,396	2.77%
10,001 to 15,000	410	5,223,657	1.73%
15,001 to 20,000	300	5,514,784	1.83%
20,001 to 30,000	235	6,041,903	2.01%
30,001 to 40,000	126	4,475,631	1.49%
40,001 to 50,000	107	4,990,311	1.66%
50,001 to 100,000	202	15,074,854	5.01%
100,001 to 200,000	132	18,925,950	6.28%
200,001 to 400,000	64	18,104,133	6.01%
400,001 to 600,000	34	16,544,853	5.49%
600,001 to 800,000	18	12,375,393	4.11%
800,001 to 1,000,000	16	13,867,510	4.60%
1,000,001 and above	51	160,283,556	53.22%
Total	21,756	301,163,784	100.00%

III. Changes in shareholding of directors (including independent directors), managers and dominant shareholders (with 10% holding interest and above)

Title	Name	Opening shareholding position			Change of shareholding		Closing shareholding position		
		Shares held	Shareholding percentage %	Shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	Shares held	Shareholding percentage %	Shares pledged
Chairman	Yi Chi Co., Ltd.; Representative: C. H. Lee	4,928,750	1.64%	-	-	-	4,928,750	1.64%	-
Director	Chimax Development Company Representative: Chi-Chen Tu	1,357,389	0.45%	-	-	-	1,357,389	0.45%	-
Director	Chien Yi Industrial Co., Ltd. Representative: Cheng-Tsung Lee	7,385,189	2.45%	-	-	-	7,385,189	2.45%	-
Director	Cheng-Tu Lee	3,018,991	1.00%	-	(18,000)	-	3,000,991	1.00%	-
Director	Edward Y. C. Lee	2,865,896	0.95%	-	28,000	-	2,893,896	0.96%	-
Director	Shao-Ying Lee	195,104	0.06%	-	-	-	195,104	0.06%	-
Director	Chang-Yi Chang	761,739	0.25%	-	-	-	761,739	0.25%	-
Director	Cheng-Chin Lee	347,000	0.12%	-	-	-	347,000	0.12%	-
Director	Chien Cheng Development Co., Ltd. Representative: Tien-Ching Yang	18,806,192	6.24%	-	-	-	18,806,192	6.24%	-
Director	OSTA Trading Co., Ltd. Representative: Chien-Yi Hsu	15,823,085	5.25%	-	-	-	15,823,085	5.25%	-
Independent Director	Jui-Tung Lu	-	-	-	-	-	-	-	-
Independent Director	Jui-Chou Lin	-	-	-	-	-	-	-	-
Independent Director	Hsiu-Mei Lin	-	-	-	-	-	-	-	-
Manager	Tom C. T. Chen (Note 1)	168,888	0.06%	-	-	-	168,888	0.06%	-
Manager	Hsin-Qun Chen	41,963	0.01%	-	-	-	41,963	0.01%	-
Manager	Wen-Tung Yen	45,608	0.02%	-	-	-	45,608	0.02%	-
Manager	Jen-Huai Liu	488	-	-	-	-	488	-	-
Manager	Ching-Chang Chen	37,761	0.01%	-	-	-	37,761	0.01%	-
Manager	Chen-Hsiung Lin	-	-	-	5,000	-	5,000	-	-
Manager	Hsu-Wei Chen	28,621	0.01%	-	-	-	28,621	0.01%	-
Manager	Yeong-Rong Hsiao	-	-	-	-	-	-	-	-
Manager	Edward Y. C. Lee	2,865,896	0.95%	-	28,000	-	2,893,896	0.96%	-

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Title	Name	Opening shareholding position			Change of shareholding		Closing shareholding position		
		Shares held	Shareholding percentage %	Shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged	Shares held	Shareholding percentage %	Shares pledged
Manager	Fei-Fen Hsiao	-	-	-	-	-	-	-	-
Manager	Chang-Hung Chen	31,352	0.01%	-	-	-	31,352	0.01%	-
Manager	Chien-Wen Chen (Note 2)	-	-	-	-	-	-	-	-
Manager	Te-Chun Chiang	850	-	-	(570)	-	280	-	-
Manager	Chuan-Wei Hu	-	-	-	-	-	-	-	-
Manager	Tung-Ying Wu	79,000	0.03%	-	1,000	-	80,000	0.03%	-
Manager	Chien-Sheng Chen	426	-	-	-	-	426	-	-
Manager	Neil Yen	8,000	-	-	-	-	8,000	-	-
Manager	Kun-Ying Yeh	45,000	0.01%	-	(8,000)	-	37,000	0.01%	-
Manager	Shu-Ling Chen	-	-	-	-	-	-	-	-
Manager	Yin-Lung Chen	-	-	-	-	-	-	-	-
Manager	Hsueh-Tung Li	6,000	-	-	2,000	-	8,000	-	-
Manager	Chen-Pei Wang	-	-	-	-	-	-	-	-
Manager	Yu-Jen Liu	-	-	-	-	-	-	-	-
Manager	Jui-Yuan Lin	7,094	-	-	-	-	7,094	-	-
Manager	Ting-Hsiang Chao	-	-	-	-	-	-	-	-
Manager	Pang-Yi Kao (Note 3)	-	-	-	-	-	-	-	-
Manager	Neng-Ting Chiang (Note 4)	-	-	-	-	-	-	-	-
Manager	Chiung-Chi Chu (Note 5)	-	-	-	5,000	-	5,000	-	-

Note 1: The former manager, Tom C. T. Chen, was relieved from office on January 1, 2024.

Note 2: The former manager, Chien-Wen Chen, was relieved from office January 1, 2024.

Note 3: The new manager, Pang-Yi Kao, commenced duty on January 1, 2024.

Note 4: The new manager, Neng-Ting Chiang, commenced duty on January 1, 2024.

Note 5: The new manager, Chiung-Chi Chu, commenced duty on January 1, 2024.

IV. Information relevant to the aggregate reporting policy: Not applicable.

Three. Key financial information

I. Summary balance sheet and statement of comprehensive income for the last 5 years

(I) Balance sheet information:

Unit: NTD thousand

Item	Year	Financial information for the last 5 years				
		2024	2023	2022	2021	2020
Cash		2,293,568	1,387,004	1,335,225	1,665,303	1,775,324
Receivables		312,502	262,822	241,502	359,391	380,972
Financial assets and loans		13,175,046	13,376,806	12,548,364	11,361,974	10,297,861
Reinsurance Contracts Assets		2,723,633	2,977,406	2,245,153	2,105,816	2,150,899
Property, Plant and Equipment		612,125	624,836	658,434	668,397	661,560
Right-of-use asset		2,946	3,711	5,064	4,659	4,400
Intangible Assets		21,141	33,314	39,759	42,894	44,106
Other assets		565,644	582,880	580,179	652,625	710,865
Total assets		19,706,605	19,248,779	17,653,680	16,861,059	16,025,987
Payables		690,452	654,682	620,246	635,763	677,616
Lease liabilities		2,984	3,770	5,128	4,726	4,445
Liability reserves		10,016,064	10,208,864	9,223,339	8,696,978	8,379,938
Other liabilities		300,719	253,832	242,433	252,174	201,904
Total liabilities	Before dividend	11,010,219	11,121,148	10,091,146	9,589,641	9,263,903
	After dividend	Note 2	11,461,463	10,307,984	9,954,049	9,369,310
Share capital		3,011,638	3,011,638	3,011,638	3,011,638	3,011,638
Retained Earnings	Before dividend	5,452,120	4,758,852	4,264,943	4,086,725	3,458,120
	After dividend	Note 2	4,418,537	4,048,105	3,722,317	3,352,713
Other equity items		232,628	357,141	285,953	173,055	292,326
Total equity	Before dividend	8,696,386	8,127,631	7,562,534	7,271,418	6,762,084
	After dividend	Note 2	7,787,316	7,345,696	6,907,010	6,656,677

Note 1: Financial information for the last 5 years, as presented above, has been prepared according to the IFRSs, and audited by the CPA.

Note 2: Distribution of 2024 earnings has yet to be resolved in a shareholders' meeting.

(II) Statement of comprehensive income:

Unit: NTD thousand, except EPS which is in dollars

Item	Year	Financial information for the last 5 years				
		2024	2023	2022	2021	2020
Revenue		7,799,051	7,394,603	6,932,881	6,539,918	5,854,672
Operating Cost		5,110,644	5,105,494	4,753,447	4,417,945	4,246,729
Operating Expense		1,607,909	1,533,998	1,504,262	1,475,649	1,399,892
Non-operating income and expenses		(873)	(643)	(238)	(849)	(2,106)
Operating income before tax		1,079,625	754,468	674,934	645,475	205,945
Net Income After Tax		903,297	636,241	558,847	553,137	152,882
Other Comprehensive Income		5,773	145,694	96,677	61,604	87,058
Earnings per share		3.00	2.11	1.86	1.84	0.51

Note 1: Financial information for the last 5 years, as presented above, has been prepared according to the IFRSs and audited by CPA.

II. Analysis of key financial ratios

Analysis		Financial and operational indicators in the last 5 years				
		Year	2024	2023	2022	2021
Business performance indicators	Variation of written premiums revenue	3.54	9.24	5.99	5.60	2.73
	Variation of losses paid	5.43	17.72	1.39	1.04	(10.34)
	Variation of retained premium	3.85	7.52	5.12	6.75	6.28
	Net worth ratio	44.13	42.22	42.84	43.13	42.19
Profit indicators	Return on Asset	4.64	3.45	3.24	3.36	0.96
	Return on Equity	10.74	8.11	7.53	7.88	2.25
	Net Investment Income Ratio	3.13	2.61	1.55	3.35	1.98
	Return on Investment	2.98	2.48	1.46	3.13	1.84
	Combined Ratio	93.16	93.16	93.01	92.87	96.10
	Retained Expense Ratio	37.47	37.07	38.33	39.12	39.51
Operational indicators	Retained Earned Loss Ratio	55.69	56.09	54.68	53.75	56.59
	Retained premium to equity ratio	81.99	84.47	84.43	83.54	84.15
	Gross premium to equity ratio	107.85	111.47	110.21	108.22	110.42
	Net reinsurance commission to equity ratio	2.03	2.63	2.58	2.67	2.86
	Insurance liabilities to equity ratio	115.18	125.19	121.28	117.94	121.81
	Percentage of equity variation	7.00	7.47	4.00	7.53	(0.72)
	Expense ratio	31.46	31.75	32.98	33.93	33.96

Explanation to significant changes in the last two years:

1. Decrease in the rate of changes in direct premium: Mainly due to the declining range of increase in the current premium revenue from marine insurance and motor insurance.
2. Decrease in the rate of changes in directly paid claims: Mainly due to the decrease in current claims under marine insurance and engineering/liability insurance benefits.
3. Decrease in the rate of changes in retained premium: Mainly due to the declining range of increase in the current premium revenue from marine insurance and motor insurance.
4. Increase in ROE and ROA: This is mainly due to the increase in current net income after tax.
5. Increase in return on investment: Mainly due to the increase in the current interest revenue and financial assets at fair value through profit or loss from the same period of last year.
6. Decrease in the net reinsurance commission to equity ratio: Mainly due to decrease in the current reinsurance commission revenues.

Note 1: Financial statements for the last 5 years, as presented above, have been prepared according to the IFRSs, and audited by the CPA.

Note 2: Formulas for calculation of various analyses:

1. Business performance indicators
 - (1) Variation of written premiums revenue = (cumulative written premiums revenue in the current period - cumulative written premiums revenue for the previous period) / cumulative written premiums revenue for the previous period
["Written premiums revenue" refers to insurance premium revenues that an insurance company receives for underwriting insurance policy directly to the insured party.]
 - (2) Variation of losses paid = (cumulative direct losses paid in the current period - cumulative direct losses paid in the previous period) / cumulative direct losses paid in the previous period
["Direct losses paid" refers to claims that an insurance company pays to insured parties of direct written policies for suffering an insured accident.]

- (3) Variation of retained premium = (cumulative retained premium in the current period - cumulative retained premium in the previous period) / cumulative retained premium in the previous period
 [Retained premium = written premiums revenue + reinsurance premiums revenue - reinsurance premiums expense]
- (4) Net worth ratio = owners' equity / total assets excluding investment-linked insurance asset account
2. Profit indicators
- (1) ROA = [net income after tax + interest expenses × (1- tax rate)] / average total assets.
 [Average total assets = (opening assets + closing assets) / 2]
- (2) Return on equity = profit before or after tax / average equity
 [Average equity = (current equity + equity for the previous period) / 2]
- (3) Net investment income ratio = (current net gain on investments + current gain on disposal of equity instruments measured at fair value through other comprehensive income) / [(opening available capital + closing available capital - current net gain on investments - current gain on disposal of equity instruments measured at fair value through other comprehensive income) / 2]
- (4) Return on investment = (current net gain on investments + current gain on disposal of equity instruments measured at fair value through other comprehensive income) / [opening assets + closing assets - current net gain on investments - current gain on disposal of equity instruments measured at fair value through other comprehensive income) / 2]
- (5) Combined ratio = retained expense ratio + retained earned loss ratio
- (6) Retained expense ratio=retained expenses / retained premium
 [Retained premium = written premiums revenue + reinsurance premiums revenue - reinsurance premiums expense]
 [Retained expenses = commission and premium expenses + reinsurance commission expenses - reinsurance commission revenues + selling expenses + administrative expenses + depreciation and amortization of self-occupied real estate properties]
- (7) Retained earned loss ratio=retained claims / retained earned premiums
 [Retained claims = insurance claims paid - claims recovered from reinsurers + net change in claim reserves]
 [Retained earned premiums = written premiums revenue + reinsurance premiums revenue - reinsurance premiums expense - net change in unearned premium reserve]
3. Operational indicators
- (1) Retained premium to equity ratio=retained premium / equity
- (2) Gross premium to equity ratio=(written premiums revenue + reinsurance premiums revenue) / equity

- (3) Net reinsurance commission to equity ratio= $(\text{unearned premium reserve} / \text{retained premium}) \times \text{reinsurance commission revenues} / \text{equity}$
- (4) Insurance liabilities to equity ratio= $\text{Liabilities of various insurance category} / \text{equity}$
[Insurance liabilities = special claim reserves + claim reserves + unearned premium reserves + other reserves]
- (5) Variation of equity = $(\text{current equity} - \text{equity for the previous period}) / \text{absolute value of equity for the previous period}$
- (6) Expense ratio= $\text{expenses} / (\text{written premiums revenue} + \text{reinsurance premiums revenue})$
[Expenses = commission and premium expenses + operating expenses + administrative expenses + depreciation and amortization of self-occupied real estate properties + reinsurance commission expenses]

III. Other information material to understanding the company's financial position, financial performance, cash flow and changes: None.

Four. Analysis of financial position, performance and cash flow
 I. Comparative analysis of financial position

Unit: NTD thousand

Item \ Year	2024	2023	Variation	
			Amount	%
Cash and cash equivalents	\$ 2,293,568	\$ 1,387,004	\$ 906,564	65
Receivables	312,502	262,822	49,680	19
Financial assets and loans	13,175,046	13,376,806	(201,760)	(2)
Reinsurance Contracts Assets	2,723,633	2,977,406	(253,773)	(9)
Property, Plant and Equipment	612,125	624,836	(12,711)	(2)
Right-of-use asset	2,946	3,711	(765)	(21)
Intangible Assets	21,141	33,314	(12,173)	(37)
Other assets	565,644	582,880	(17,236)	(3)
Total assets	19,706,605	19,248,779	457,826	2
Payables	690,452	654,682	35,770	5
Lease liabilities	2,984	3,770	(786)	(21)
Liability reserves	10,016,064	10,208,864	(192,800)	(2)
Other liabilities	300,719	253,832	46,887	18
Total liabilities	11,010,219	11,121,148	(110,929)	(1)
Share capital	3,011,638	3,011,638	-	-
Retained Earnings	5,452,120	4,758,852	693,268	15
Other equity items	232,628	357,141	(124,513)	(35)
Total equity	8,696,386	8,127,631	568,755	7

Explanation to subsequent variations in said items by more than 20% and amounting to NT\$10 million or more:

1. Cash and cash equivalents balance in 2024 was lower compared to 2023 mainly because of the increase in bank deposits in 2024.
2. The decrease in intangible assets in 2024 from 2023 was primarily a result of the decrease in computer software in 2024.
3. The decrease in other equity items in 2024 from 2023 was primarily a result of the decrease in valuation of equity instruments at fair value through other comprehensive income in 2024.

II. Analysis of financial performance

Unit: NTD thousand

Item	2024	2023	Variation	Variation %
Revenue	\$ 7,799,051	\$ 7,394,603	\$ 404,448	5
Operating Cost	5,110,644	5,105,494	5,150	-
Operating Expense	1,607,909	1,533,998	73,911	5
Operating profit	1,080,498	755,111	325,387	43
Non-operating income and expenses	(873)	(643)	(230)	36
Pre-tax profit from continuing operations	1,079,625	754,468	325,157	43
Income tax	176,328	118,227	58,101	49
Current net income from continuing operations	903,297	636,241	267,056	42

Explanation to significant variations in said items by 10% or above before and after the period:

1. The increase in operating income, earnings before tax, income tax and net income in 2024 from 2023 was mainly due to the increase in premium revenue in 2024.
2. The increase in non-operating income and expenses in 2024 from 2023 resulted from the increase in property obsolescence loss in 2024.

III. Cash flow variation analysis:

- (I) Operating activities: Net cash inflow of NT\$1,258,734 was mainly attributed to the disposal of financial assets at fair value through profit and other financial assets and the consolidated effects resulting from reinsurance contract assets.
- (II) Investing activities: Net cash outflow of NT\$12,038 thousand was mainly due to acquisition of property and equipment and intangible assets.
- (III) Financing activities: Net cash outflow of NT\$343,465 thousand was mainly due to payment of cash dividends.

Five. External auditor's information:

I. Audit fee information

- (I) Non-audit remuneration to financial statement auditors, accounting firms and related businesses that amount to one-quarter or higher of audit remuneration:

Unit: NTD thousand

Name of CPA firm	Name of CPA	Examination period	Auditing fee	Non-auditing fee (Note)	Total	Remarks
Deloitte Taiwan	Hai-Yueh Huang, CPA	2024	\$ 2,720	\$ 980	\$ 3,700	
	Sheng-Tai Liang, CPA					

Note: The non-auditing fees consist of NT\$650 thousand for the project audit on internal control system, NT\$200 thousand for tax certification, NT\$100 thousand for re-check on the automobile compulsory liability insurance inspection report, and NT\$30 thousand for re-check on the report on salary of full-time non-managerial staff.

- (II) Any replacement of accounting firm and reduction in audit remuneration paid compared with the previous year: None.
- (III) Any reduction in audit remuneration by more than 15% compared to the previous year: None.
- II. Change of CPA: None.