

**FUBON INSURANCE CO., LTD.
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Report
For the Six Months Ended June 30, 2026 and
For the Six Months Ended June 30, 2025 (Restated)**

Address: 7-14F., No. 179, Liaoning St., Zhongshan Dist., Taipei, Taiwan
Telephone: 02-66367890

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Report

To the Board of Directors of FUBON INSURANCE CO., LTD.:

Opinion

We have audited the consolidated financial statements of FUBON INSURANCE CO., LTD. and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of June 30, 2026, December 31, 2025 (restated), June 30, 2025 (restated), and January 1, 2025 (restated), and the consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025 (restated) and for the six months ended June 30, 2026 and 2025 (restated), as well as the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025 (restated), and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2026, December 31, 2025 (restated), June 30, 2025 (restated), and January 1, 2025 (restated), and their consolidated financial performance for the three months ended June 30, 2026 and 2025 (restated) and for the six months ended June 30, 2026 and 2025 (restated), and their consolidated cash flows for the six months ended June 30, 2026 and 2025 (restated), in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Letter No. Jin-Guan-Bao-Cai-Zi 1140131712, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Emphasis of Matter

As stated in Note 3(a), Fubon Insurance Co., Ltd. and its subsidiaries adopted IFRS 17 “Insurance Contracts” on January 1, 2026, and have restated the comparative consolidated financial statements for the six months ended June 30, 2025.

As stated in Note 4(d), on January 1, 2026, Fubon Insurance Co., Ltd. adopted FSC Letter No. Jin-Guan-Bao-Cai-Zi 1140131712 and applied the practical illustrative examples issued by the Taiwan Insurance Institute to assess the contractual cash flow characteristics of New Taiwan dollar-denominated, passively managed, unleveraged overseas bond exchange-traded funds, and accordingly classified these investments as financial assets measured at fair value through other comprehensive income.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2026. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Based on our judgment, the key audit matters that should be communicated in our report are described below:

1. Valuation of investment property

Please refer to Note 4(k), "Investment Property," to the consolidated financial statements for the year ended December 31, 2025 for the accounting policy, Note 5(c) for accounting assumptions and estimates, and Note 6(f), "Investment Property" for details of the valuation of investment properties.

The investment property appraisals are performed by professional appraisers using the valuation techniques prescribed by the Regulations on Real Estate Appraisal and market evidence, in accordance with the Regulations Governing the Preparation of Financial Statements by Insurance Enterprises. The selection of valuation methods involves significant professional judgment.

How the matter was addressed in our audit:

- Understanding the procedures performed by professional valuation firms in determining the fair value of investment properties, and evaluating whether appropriate valuation methods were selected and reasonable significant assumptions were adopted;
- Ensuring the presentation and disclosure of investment property are in accordance with IFRSs and the "Regulations Governing the Preparation of Financial statements by Insurance Enterprises";
- Evaluating whether the management's assessment on the valuation of the investment property is reasonable based on the audit team's understanding of the quoted market information and the review report issued by the property appraisal expert appointed by the audit team.

2. Measurement of the Liability for Remaining Coverage

Please refer to Note 4(c) "Insurance Contracts" for related accounting policies, Note 5(d) and Note 6(i) for accounting estimates and judgments on the valuation of liability for remaining coverage, and Note 6(g) "Insurance Contracts" for details of the valuation of liability for remaining coverage.

The professional judgments applied in measuring the fulfilment cash flows related to future services included in the liability for remaining coverage affect the recognition and measurement of the liability for remaining coverage and insurance revenue and may have a material effect on the consolidated financial statements. Therefore, the assessment of the liability for remaining coverage has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

- Understanding and testing the design and operating effectiveness of internal controls related to the liability for remaining coverage.

- Involving internal actuarial specialists to assist us in auditing the liability for remaining coverage, including the following procedures:
 - Evaluating the reasonableness of the actuarial methodologies, related assumptions, and key parameters used to calculate the present value of expected future cash flows, and assessing whether they are in accordance with IFRS 17 and related actuarial practice guidelines promulgated by the Actuarial Institute of the Republic of China;
 - Evaluating the reasonableness of the unearned premium calculations;
 - Assessing the reasonableness of the relevant parameters selected by management based on our understanding of the industry and market;
 - Performing independent estimates of the liability for remaining coverage for selected groups of insurance contracts and comparing them with management's calculations to assess the appropriateness of the related amounts.
- Performing sample testing of policy data and comparing the results with the corresponding IFRS 17 measurement data.
- Assessing whether the presentation and disclosure of the liability for remaining coverage in the consolidated financial statements comply with the requirements of International Financial Reporting Standards (IFRS) Accounting Standards.

3. Assessment of Liability for Incurred Claims

Please refer to Note 4(c) " Insurance Contracts" for the accounting policies related to the assessment of the liability for incurred claims; Note 5(d) and Note 6(i) for the related accounting estimates and judgments; and Note 6(g) " Insurance Contracts" for details of the assessment of the liability for incurred claims.

The measurement of the liability for incurred claims requires management to estimate future claims development based on the Group's historical claims experience. Significant assumption parameters include claim development factors and expected loss ratios for each line of insurance. Because the professional judgments applied in the assessment affect the amounts recognized for the liability for incurred claims and insurance service expenses in the consolidated financial statements, the assessment of the liability for incurred claims was identified as a key audit matter.

How the matter was addressed in our audit:

- Understanding and testing the design and operating effectiveness of internal control procedures related to the liability for incurred claims.
- Involving internal actuarial specialists to perform the audit on the liability for incurred claims, which included the following procedures:
 - Assessing the reasonableness of the actuarial methods applied and the relevant parameters selected by management based on our understanding of the industry and market;
 - Performing independent estimates of the liability for incurred claims for selected groups of insurance contracts and comparing them with management's calculations to assess the appropriateness of the related amounts.
- Assessing whether the presentation and disclosure of the liability for incurred claims in the consolidated financial statements comply with the requirements of International Financial Reporting Standards (IFRS) Accounting Standards.

Other Matter

FUBON INSURANCE CO., LTD. has additionally prepared its parent company only financial statements as of and for the six months ended June 30, 2026 and 2025, on which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Lee, Feng-Hui and Chen, Fu-Jen.

KPMG

Taipei, Taiwan (Republic of China)
August 18, 2026

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES**Consolidated Balance Sheets****June 30, 2026, December 31, June 30 and January 1, 2025****(Expressed in Thousands of New Taiwan Dollars)**

		June 30, 2026		(restated) December 31, 2025		(restated) June 30, 2025		(restated) January 1, 2025				June 30, 2026		(restated) December 31, 2025		(restated) June 30, 2025		(restated) January 1, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%	Amount	%
11000	Assets																		
	Cash and cash equivalents (notes 6(a), 7 and 8)	\$ 16,052,922	12	14,735,949	12	13,244,079	12	12,564,974	12										
12000	Receivables (note 6(b))	2,102,320	2	1,803,463	2	1,960,201	2	1,724,856	2	21000	Liabilities and Equity								
12600	Current tax assets	5,636,482	4	4,052,453	3	3,834,642	3	2,761,609	3	21700	Liabilities:								
13000	Assets held for sale (notes 6(d) and 8)	3,850,200	3	3,850,197	3	3,831,195	3	3,473,023	3	22000	Accounts payable	\$ 4,861,953	4	4,759,389	4	4,086,249	4	4,325,137	4
	Financial assets at fair value through profit or loss										Current tax liabilities	1,090,660	1	342,844	-	177,393	-	193,696	-
14110	(notes 6(c), (z) and (aa))	7,282,598	6	24,696,503	21	16,043,760	14	12,998,195	12	23200	Liabilities related to assets classified as held for sale (note 6(d))	188,188	-	189,870	-	188,385	-	154,973	-
	Financial assets at amortized cost (notes 6(c), (z) and (aa))	5,909,369	5	1,721,690	1	1,615,515	2	1,748,374	2	24101	Financial liabilities at fair value through profit or loss	54,334	-	127,018	-	12,255	-	120,828	-
14180	Other financial assets, net (notes 6(c) and (aa))	59,322	-	101,683	-	128,613	-	146,641	-	24201	Insurance contract liabilities (note 6(g))	75,074,248	57	72,883,829	61	73,432,845	65	68,975,069	64
	Financial assets at fair value through other comprehensive income (notes 6(c), (aa) and 8)	41,223,488	31	16,833,450	14	14,053,603	13	11,005,881	10	24300	Reinsurance contract liabilities (note 6(h))	447,306	-	180,710	-	220,702	-	28,821	-
16700	Right-of-use assets (note 6(e))	225,477	-	325,542	-	390,800	-	447,634	-	23800	Lease liabilities (note 6(o))	220,913	-	329,200	-	406,787	-	467,693	1
14200	Investment property (note 6(f))	5,887,408	4	5,894,893	5	5,904,590	5	6,373,912	6	28000	Deferred tax liabilities	1,254,050	1	1,228,093	1	1,348,368	1	1,463,288	1
15400	Insurance contract assets (note 6(g))	201,468	-	52,678	-	40,850	-	45,004	-	25000	Other liabilities (note 6(n))	8,958,814	7	4,296,625	4	2,956,331	3	3,146,460	3
15500	Reinsurance contract assets (note 6(h))	26,690,961	20	28,119,638	24	32,009,717	29	30,237,309	28	27000	Provisions (note 6(m))	<u>580,340</u>	-	<u>549,439</u>	<u>1</u>	<u>641,819</u>	<u>1</u>	<u>634,582</u>	<u>1</u>
16000	Property and equipment (notes 6(j) and 8)	8,390,521	6	8,000,004	7	7,598,589	7	7,233,471	7		Total liabilities	<u>92,730,806</u>	<u>70</u>	<u>84,887,017</u>	<u>71</u>	<u>83,471,134</u>	<u>74</u>	<u>79,510,547</u>	<u>74</u>
17000	Intangible assets (note 6(k))	254,020	-	296,166	-	238,382	-	238,951	-		Equity attributable to owners of parent								
17800	Deferred tax assets	4,857,882	4	6,652,556	6	7,607,072	7	9,343,027	9	31000	Share capital	3,000,000	2	3,000,000	2	3,000,000	3	3,000,000	3
18000	Other assets	3,556,631	3	2,834,392	2	3,592,154	3	6,857,519	6	32000	Capital surplus (note 6(q))	1,192,720	1	1,192,720	1	1,192,720	1	1,192,720	1
											Retained earnings:								
										33100	Legal reserve	1,989,568	2	620,732	1	620,732	-	-	-
										33200	Special reserve	17,142,400	13	17,151,683	14	15,760,414	14	15,433,555	14
										33300	Unappropriated retained earnings	<u>8,200,660</u>	<u>6</u>	<u>12,023,840</u>	<u>10</u>	<u>7,458,249</u>	<u>7</u>	<u>7,454,500</u>	<u>7</u>
											Total retained earnings	<u>27,332,628</u>	<u>21</u>	<u>29,796,255</u>	<u>25</u>	<u>23,839,395</u>	<u>21</u>	<u>22,888,055</u>	<u>21</u>
											Other equity (note 6(q)):								
										34100	Exchange differences on translation of foreign financial statements	(70,936)	-	(99,410)	-	(181,174)	-	(62,013)	-
										34210	Revaluation gains (losses) on investments in equity instruments designated at fair value through other comprehensive income	6,783,827	5	663,838	1	596,513	1	705,469	1
										34220	Unrealized gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	(332,393)	-	(877,414)	(1)	(1,082,721)	(1)	(1,135,079)	(1)
										34600	Revaluation surplus	125,263	-	125,263	-	125,263	-	257,839	-
										34700	Equity related to assets classified as held for sale (note 6(d))	132,576	-	132,576	-	132,576	-	(322)	-
											Total other equity	<u>6,638,337</u>	<u>5</u>	<u>(55,147)</u>	<u>-</u>	<u>(409,543)</u>	<u>-</u>	<u>(234,106)</u>	<u>-</u>
											Total equity attributable to owners of parent	<u>38,163,685</u>	<u>29</u>	<u>33,933,828</u>	<u>28</u>	<u>27,622,572</u>	<u>25</u>	<u>26,846,669</u>	<u>25</u>
										36000	Non-controlling interests	<u>1,286,578</u>	<u>1</u>	<u>1,150,412</u>	<u>1</u>	<u>1,000,056</u>	<u>1</u>	<u>843,164</u>	<u>1</u>
											Total equity	<u>39,450,263</u>	<u>30</u>	<u>35,084,240</u>	<u>29</u>	<u>28,622,628</u>	<u>26</u>	<u>27,689,833</u>	<u>26</u>
	Total assets	<u>\$ 132,181,069</u>	<u>100</u>	<u>119,971,257</u>	<u>100</u>	<u>112,093,762</u>	<u>100</u>	<u>107,200,380</u>	<u>100</u>		Total liabilities and equity	<u>\$ 132,181,069</u>	<u>100</u>	<u>119,971,257</u>	<u>100</u>	<u>112,093,762</u>	<u>100</u>	<u>107,200,380</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Comprehensive Income****For the three months and six months ended June 30, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)**

		For the three months ended June 30				For the six months ended June 30			
		2026		(restated) 2025		2026		(restated) 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
Insurance service result:									
41101	Insurance revenue (note 6(u))	\$ 19,303,400	100	17,976,474	100	37,948,124	100	35,203,446	100
51101	Insurance service expenses (note 6(v))	(13,276,769)	(69)	(12,517,846)	(70)	(26,751,775)	(70)	(29,529,800)	(84)
51201	Income or expenses from reinsurance contracts held (note 6(w))	(3,550,447)	(18)	(3,167,579)	(17)	(6,399,451)	(17)	(2,105,761)	(6)
61100	Insurance service result	<u>2,476,184</u>	<u>13</u>	<u>2,291,049</u>	<u>13</u>	<u>4,796,898</u>	<u>13</u>	<u>3,567,885</u>	<u>10</u>
Financial result:									
41500	Net income (loss) from investments (note 6(x))								
41510	Interest income	323,291	2	198,416	1	602,219	2	390,221	1
41521	Gains (losses) on financial assets or liabilities at fair value through profit or loss	960,836	5	593,807	3	1,225,286	3	(251,826)	(1)
41527	Realized gains on financial assets measured at fair value through other comprehensive income	161,150	1	12,366	-	218,637	1	12,366	-
41550	Foreign exchange gains (losses)	(90,893)	-	(632,534)	(3)	(91,646)	-	(672,804)	(2)
41570	Gains on investment property	80,744	-	70,572	-	159,935	-	148,908	1
41585	Expected credit losses or reversal of expected credit losses of investments	(243)	-	8,328	-	(2,029)	-	8,227	-
41599	Other net income (loss) from investments	86	-	(25,014)	-	86	-	781,870	2
51401	Insurance finance income or expenses (note 6(x))	(103,776)	(1)	(186,177)	(1)	(205,441)	(1)	(193,510)	-
51501	Finance income or expenses from reinsurance contracts held (note 6(x))	10,283	-	94,187	1	37,734	-	53,174	-
61200	Financial result	<u>1,341,478</u>	<u>7</u>	<u>133,951</u>	<u>1</u>	<u>1,944,781</u>	<u>5</u>	<u>276,626</u>	<u>1</u>
Other operating result:									
41800	Other operating revenue	65,354	-	53,780	-	144,062	-	109,343	-
51800	Other operating costs	(24,395)	-	(168,725)	(1)	(130,777)	-	(279,923)	(1)
58000	Other operating expenses	(293,145)	(1)	(258,430)	(1)	(479,648)	(1)	(454,322)	(1)
	Other operating result	<u>(252,186)</u>	<u>(1)</u>	<u>(373,375)</u>	<u>(2)</u>	<u>(466,363)</u>	<u>(1)</u>	<u>(624,902)</u>	<u>(2)</u>
Net operating income		<u>3,565,476</u>	<u>19</u>	<u>2,051,625</u>	<u>12</u>	<u>6,275,316</u>	<u>17</u>	<u>3,219,609</u>	<u>9</u>
59100	Gains (losses) on disposal of property and equipment	(117)	-	(240)	-	(322)	-	(138)	-
59900	Other non-operating income and expenses	133,937	-	5,079	-	461,329	1	6,854	-
	Total non-operating income and expenses	<u>133,820</u>	<u>-</u>	<u>4,839</u>	<u>-</u>	<u>461,007</u>	<u>1</u>	<u>6,716</u>	<u>-</u>
Profit (loss) from continuing operations before tax		<u>3,699,296</u>	<u>19</u>	<u>2,056,464</u>	<u>12</u>	<u>6,736,323</u>	<u>18</u>	<u>3,226,325</u>	<u>9</u>
63000	Less:Tax expense (note 6(s))	(641,847)	(3)	(293,171)	(2)	(1,066,100)	(3)	(772,313)	(2)
	Profit	<u>3,057,449</u>	<u>16</u>	<u>1,763,293</u>	<u>10</u>	<u>5,670,223</u>	<u>15</u>	<u>2,454,012</u>	<u>7</u>
83000	Other comprehensive income:								
83100	Components of other comprehensive income that will not be reclassified to profit or loss								
83190	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	7,192,606	37	(54,119)	-	7,253,651	19	(118,203)	-
83180	Less:Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note 6(s))	-	-	-	-	-	-	-	-
		<u>7,192,606</u>	<u>37</u>	<u>(54,119)</u>	<u>-</u>	<u>7,253,651</u>	<u>19</u>	<u>(118,203)</u>	<u>-</u>
83200	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
83210	Exchange differences on translation of foreign financial statements	18,077	-	(245,241)	(2)	77,762	-	(218,147)	(1)
83260	Equity related to assets or disposal groups classified as held for sale that will be reclassified to profit or loss	-	-	-	-	-	-	806	-
83290	Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(16,647)	-	152,786	1	(100,497)	-	95,961	-
83280	Less:Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(s))	(1,155)	-	6,506	-	6,926	-	(13,893)	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>275</u>	<u>-</u>	<u>(85,949)</u>	<u>(1)</u>	<u>(15,809)</u>	<u>-</u>	<u>(135,273)</u>	<u>(1)</u>
83000	Other comprehensive income	<u>7,192,881</u>	<u>37</u>	<u>(140,068)</u>	<u>(1)</u>	<u>7,237,842</u>	<u>19</u>	<u>(253,476)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 10,250,330</u>	<u>53</u>	<u>1,623,225</u>	<u>9</u>	<u>12,908,065</u>	<u>34</u>	<u>2,200,536</u>	<u>6</u>
Profit (loss), attributable to:									
86100	Owners of parent	\$ 2,995,727	16	1,743,628	10	5,581,470	15	2,001,727	6
86200	Non-controlling interests	61,722	-	19,665	-	88,753	-	452,285	1
		<u>\$ 3,057,449</u>	<u>16</u>	<u>1,763,293</u>	<u>10</u>	<u>5,670,223</u>	<u>15</u>	<u>2,454,012</u>	<u>7</u>
Comprehensive income attributable to:									
87100	Owners of parent	\$ 10,171,515	53	1,681,289	9	12,771,899	34	1,817,214	5
87200	Non-controlling interests	78,815	-	(58,064)	-	136,166	-	383,322	1
		<u>\$ 10,250,330</u>	<u>53</u>	<u>1,623,225</u>	<u>9</u>	<u>12,908,065</u>	<u>34</u>	<u>2,200,536</u>	<u>6</u>
Basic earnings per share									
Basic earnings per share		<u>\$ 9.99</u>		<u>5.81</u>		<u>18.60</u>		<u>6.67</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Changes in Equity****For the six months ended June 30, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent													
	Share capital						Total other equity interest							
	Retained earnings						Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Equity related to assets (or disposal groups) classified as held for sale	Other comprehensive income on reclassification under the overlay approach	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2025	\$ 3,000,000	1,192,720	-	15,433,555	1,837,949	17,271,504	(62,013)	(429,610)	257,839	(322)	564,003	21,794,121	706,332	22,500,453
Effects of retrospective application	-	-	-	-	5,616,551	5,616,551	-	-	-	-	(564,003)	5,052,548	136,832	5,189,380
Equity at beginning of period after adjustments	<u>3,000,000</u>	<u>1,192,720</u>	<u>-</u>	<u>15,433,555</u>	<u>7,454,500</u>	<u>22,888,055</u>	<u>(62,013)</u>	<u>(429,610)</u>	<u>257,839</u>	<u>(322)</u>	-	<u>26,846,669</u>	<u>843,164</u>	<u>27,689,833</u>
Profit (restated)	-	-	-	-	2,001,727	2,001,727	-	-	-	-	-	2,001,727	452,285	2,454,012
Other comprehensive income (restated)	-	-	-	-	-	-	(119,161)	(65,674)	-	322	-	(184,513)	(68,963)	(253,476)
Total comprehensive income (restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,001,727</u>	<u>2,001,727</u>	<u>(119,161)</u>	<u>(65,674)</u>	<u>-</u>	<u>322</u>	<u>-</u>	<u>1,817,214</u>	<u>383,322</u>	<u>2,200,536</u>
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	620,732	-	(620,732)	-	-	-	-	-	-	-	-	-
Special reserve appropriated (reversed)-Employee training and transferring plan	-	-	-	(1,501)	1,501	-	-	-	-	-	-	-	-	-
Special reserve appropriated-Increase in investment property that measures	-	-	-	328,360	(328,360)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(890,358)	(890,358)	-	-	-	-	-	(890,358)	-	(890,358)
Changes in ownership interests in subsidiaries	-	-	-	-	(150,953)	(150,953)	-	-	-	-	-	(150,953)	(226,430)	(377,383)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(9,076)	(9,076)	-	9,076	-	-	-	-	-	-
Reclassified to Equity directly associated with assets held for sale	-	-	-	-	-	-	-	-	(132,576)	132,576	-	-	-	-
Balance at June 30, 2025 (restated)	<u>\$ 3,000,000</u>	<u>1,192,720</u>	<u>620,732</u>	<u>15,760,414</u>	<u>7,458,249</u>	<u>23,839,395</u>	<u>(181,174)</u>	<u>(486,208)</u>	<u>125,263</u>	<u>132,576</u>	<u>-</u>	<u>27,622,572</u>	<u>1,000,056</u>	<u>28,622,628</u>
Balance at January 1, 2026 (restated)	\$ 3,000,000	1,192,720	620,732	17,151,683	12,023,840	29,796,255	(99,410)	(213,576)	125,263	132,576	-	33,933,828	1,150,412	35,084,240
Effects of retrospective application	-	-	-	-	(674,261)	(674,261)	-	1,335,240	-	-	-	660,979	-	660,979
Reclassification to special reserve pursuant to FSC Order No. Jin-Guan-Bao-Cai-Zi 11504111391	-	-	-	-	(5,118,948)	(5,118,948)	-	-	-	-	-	(5,118,948)	-	(5,118,948)
Equity at beginning of period after adjustments	<u>3,000,000</u>	<u>1,192,720</u>	<u>620,732</u>	<u>17,151,683</u>	<u>6,230,631</u>	<u>24,003,046</u>	<u>(99,410)</u>	<u>1,121,664</u>	<u>125,263</u>	<u>132,576</u>	<u>-</u>	<u>29,475,859</u>	<u>1,150,412</u>	<u>30,626,271</u>
Profit (loss)	-	-	-	-	5,581,470	5,581,470	-	-	-	-	-	5,581,470	88,753	5,670,223
Other comprehensive income	-	-	-	-	-	-	28,474	7,161,955	-	-	-	7,190,429	47,413	7,237,842
Total comprehensive income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,581,470</u>	<u>5,581,470</u>	<u>28,474</u>	<u>7,161,955</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,771,899</u>	<u>136,166</u>	<u>12,908,065</u>
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	1,368,836	-	(1,368,836)	-	-	-	-	-	-	-	-	-
Special reserve appropriated (reversed)-Employee training and transferring plan	-	-	-	(7,059)	7,059	-	-	-	-	-	-	-	-	-
Special reserve appropriated (reversed)-Increase in investment property that measures	-	-	-	(2,224)	2,224	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(4,084,073)	(4,084,073)	-	-	-	-	-	(4,084,073)	-	(4,084,073)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,832,185	1,832,185	-	(1,832,185)	-	-	-	-	-	-
Balance at June 30, 2026	<u>\$ 3,000,000</u>	<u>1,192,720</u>	<u>1,989,568</u>	<u>17,142,400</u>	<u>8,200,660</u>	<u>27,332,628</u>	<u>(70,936)</u>	<u>6,451,434</u>	<u>125,263</u>	<u>132,576</u>	<u>-</u>	<u>38,163,685</u>	<u>1,286,578</u>	<u>39,450,263</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES**Consolidated Statements of Cash Flows****For the six months ended June 30, 2026 and 2025****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2026	(restated) 2025
Cash flows from (used in) operating activities:		
Profit before tax	\$ 6,736,323	3,226,325
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	194,093	189,681
Amortization expense	68,649	67,811
Net gains (losses) on financial assets or liabilities at fair value through profit or loss	(1,225,287)	251,825
Net gain on financial assets or liabilities at fair value through other comprehensive income	(218,637)	(12,366)
Interest expense	9,632	14,852
Interest income	(602,219)	(390,220)
Net change in special reserve	31,593	88,035
Net change in other reserves	84,161	50,720
Expected credit losses or reversal of expected credit losses of investments	2,029	(8,227)
Expected credit losses or reversal of expected credit losses of non-investments	(1,706)	2,482
Loss on disposal of property and equipment	322	138
Gain on disposal of investment property	(117)	(282)
Gain on disposal of assets classified as held for sale	-	(781,726)
Unrealized foreign exchange (gain) loss	(98,280)	844,945
(Gain) loss on fair value adjustment of investment property	(1,529)	7,786
Gain arising from lease modification	(13)	(829)
Total adjustments to reconcile profit (loss)	(1,757,309)	324,625
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	13,067	(76,499)
Increase in other receivable	(181,774)	(129,642)
Decrease (increase) in financial assets at fair value through profit or loss	5,018,094	(3,767,454)
Increase in financial assets at fair value through other comprehensive income	(6,844,547)	(203,487)
Increase (decrease) in other financial assets	(27,213)	2,137
Increase (decrease) in insurance contract assets	(146,479)	4,134
Decrease (increase) in reinsurance contract assets	1,460,241	(1,890,508)
Increase in other assets	(604,613)	(370,806)
Total changes in operating assets	(1,313,224)	(6,432,125)
Increase (decrease) in other payable	85,371	(198,100)
Increase in insurance contract liabilities	2,037,233	4,784,079
Increase in reinsurance contract liabilities	262,310	201,292
Increase in provisions for employee benefits	30,866	7,205
Decrease in other liabilities	(573,341)	(346,272)
Total changes in operating liabilities	1,842,439	4,448,204
Total changes in operating assets and liabilities	529,215	(1,983,921)
Total adjustments	(1,228,094)	(1,659,296)
Cash inflow generated from operations	5,508,229	1,567,029
Interest received	562,231	367,527
Dividends received	158,151	162,380
Interest paid	(9,793)	(15,063)
Income taxes paid	(183,977)	(215,070)
Net Cash flows from operating activities	6,034,841	1,866,803
Cash flows from (used in) investing activities:		
Proceeds from disposal of assets classified as held for sale	-	518,556
Acquisition of property and equipment	(444,080)	(472,534)
Proceeds from disposal of property and equipment	55	596
Acquisition of intangible assets	(23,779)	(71,719)
Net cash flows used in investing activities	(467,804)	(25,101)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(124,451)	(119,157)
Cash dividends paid	(4,084,073)	(890,358)
Net cash flows used in financing activities	(4,208,524)	(1,009,515)
Effect of exchange rate changes on cash and cash equivalents	(41,540)	(153,082)
Net increase in cash and cash equivalents	1,316,973	679,105
Cash and cash equivalents at beginning of period	14,735,949	12,564,974
Cash and cash equivalents at end of period	\$ 16,052,922	13,244,079

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Financial Statements Originally Issued in Chinese)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share Information and Unless Otherwise Specified)

(1) Company history

FUBON INSURANCE CO., LTD. (the “Company”) was founded on April 17, 1961 and is primarily engaged in the business of property and casualty insurance. The enactment of the Financial Holding Company Act in Taiwan in 2001 provided an opportunity to establish Fubon Group as the holding entity of the main financial services company that had been operating under the Fubon brand. Therefore, a new Fubon Insurance (the Company) was established on December 19, 2001. Substantially, all assets and liabilities and related operations of the Old Fubon were transferred to the New Fubon. The Old Fubon was renamed as Fubon Financial Holding Co., Ltd. As of June 30, 2026 and 2025, the composition of the financial report includes the Group (hereafter “the Group”, please refer to note 4(b)) as well as the equity of the associates. The Group’s principal business activity is property and casualty insurance. The parent company and the ultimate controlling company of the Group is Fubon Financial Holding Co., Ltd.

(2) Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the board of directors on August 18, 2026.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The details of impact on the Group’s adoption of the new amendments beginning January 1, 2026 are as follows :

(i) IFRS 17 “Insurance Contracts”

1) The Recognition, Measurement, Presentation and Disclosure of Insurance Contracts

IFRS 17 replaces IFRS 4 with a new measurement model and establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts, reinsurance contracts, and investment contracts with discretionary participation features. Insurance contracts are aggregated into portfolios of contracts subject to similar risks and managed together. Each portfolio is further divided into annual cohorts, and each annual cohort is then grouped based on the contracts’ profitability. Portfolios of reinsurance contracts and portfolios of insurance contracts are assessed separately at the aggregation level. Groups of insurance contracts are measured at initial recognition based on the following:

- Fulfilment cash flows: comprising the present value of future cash flows that are expected to arise within the contract boundary, determined on a best-estimate basis, together with a risk adjustment for non-financial risk; and

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- Contractual service margin: the unearned profit that arises at the initial recognition of the group of contracts.

Losses arising from onerous groups of insurance contracts are recognized immediately in profit or loss for the period. For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the contractual service margin.

Groups of insurance contracts are measured applying the General Measurement Model, the Variable Fee Approach, or the Premium Allocation Approach. The Group applies the Premium Allocation Approach to short-term contracts with coverage periods of one year or less, as well as to groups of insurance contracts for which the measurement of the liability for remaining coverage is reasonably expected not to differ materially from that under the General Measurement Model. The General Measurement Model is applied to all other groups. For groups of reinsurance contracts held, except for those with coverage periods of one year or less and those reasonably expected to have no material measurement difference compared with the General Measurement Model, which are measured under the Premium Allocation Approach, the General Measurement Model is applied.

Fulfilment cash flows are updated at each reporting date and measured using current discount rates to reflect current conditions. For groups of insurance contracts without direct participation features that are measured under the General Measurement Model, the interest accreted on the contractual service margin is determined using the discount rates applicable at the date of initial recognition of the group.

Unless impracticable, IFRS 17 shall be applied retrospectively upon first-time adoption. The effects of retrospective application are adjusted in equity as of January 1, 2025 (the transition date), and a statement of financial position as of the transition date is prepared. For the methods applied by the Company in transitioning to IFRS 17, refer to the explanation provided in paragraph (2) below.

In addition, following the adoption of IFRS 17, certain line items in the statement of financial position of the Group have been replaced by new items. For example, the statement of financial position now presents insurance contract assets, reinsurance contract assets, insurance contract liabilities, and reinsurance contract liabilities.

As for the Statements of Comprehensive Income, items such as net gains or losses of insurance operations are no longer presented. In accordance with the new standard, these items have been replaced by insurance service result, insurance finance income or expenses, and insurance finance income or expenses from reinsurance contracts held.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Approach to Transition to IFRS 17

The transition date is the beginning of the comparative reporting period immediately preceding the date of initial application. The future cash flows and the risk adjustment are measured using current assumptions, consistent with the methodology applied in subsequent measurement. Accordingly, the determination of the contractual service margin is a key element in the transition to the new standard.

The Group applies IFRS 17 retrospectively in accordance with the requirements of the standard (the full retrospective approach), except where such application is impracticable. If the full retrospective approach is impracticable, the Group may elect to apply either the modified retrospective approach or the fair value approach. If the Group, upon assessment, is unable to obtain reasonable and supportable information necessary to apply the modified retrospective approach, the fair value approach is applied.

The Group applied the following approaches in measuring each group of insurance contracts upon transition to IFRS 17 at the transition date :

<u>Year of Contract Issuance</u>	<u>Transition Approach</u>
The Company	
2024 and thereafter	Full Retrospective Approach
2023 and prior years	Modified Retrospective Approach
Fubon Insurance (Vietnam) Co., Ltd.	
2021 and thereafter	Full Retrospective Approach
Fubon Property Insurance Co., Ltd.	
2023 and thereafter	Full Retrospective Approach
Fubon Reinsurance (Labuan) Limited	
2024 and thereafter	Full Retrospective Approach

Full Retrospective Approach

Under the full retrospective approach, the Group identifies, recognizes, and measures each group of insurance contracts as of January 1, 2025 (the transition date) as if IFRS 17 had always been applied, and derecognizes any existing balances that would not have arisen had the standard been applied from inception. Any resulting net difference is recognized in equity. Accordingly, the contractual service margin for each group of insurance contracts is determined based on the facts and circumstances that existed at the date of initial recognition of the group and is subsequently rolled forward to the transition date in accordance with the requirements of the standard.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Modified Retrospective Approach

If the Group assesses that it is impracticable to obtain adequate historical information to apply the full retrospective approach, the Group may obtain reasonable and supportable information without undue cost or effort to achieve the closest possible outcome to a fully retrospective application. Under this transition method, the assessments for the insurance contracts or groups of insurance contracts, the amounts relating to the contractual service margin or loss component, and the related insurance finance income or expenses are determined based on information available as of January 1, 2025.

Under the modified retrospective approach, the Company has elected to apply the following transition methods:

- Using information available at the transition date to identify groups of insurance contracts;
- Using actual cash flows incurred between the initial recognition date and the transition date as a substitute for historical information, while expected cash flows after the transition date were based on the current estimates as of the transition date;
- Using information available at the transition date to identify discretionary cash flows for insurance contracts without direct participation features;
- Contracts issued more than one year apart were included in the same group of insurance contracts;
- For discount rates that are unavailable at the date of initial recognition, the yield curve as of three years prior to the transition date was used as the discount rate curve at initial recognition, without considering a liquidity premium;
- For risk adjustments that cannot be determined retrospectively, estimates based on available experience data were used for the transition period.

In determining the contractual service margin (or loss component) at initial recognition under the above amendments, the Group calculated the contractual service margin at initial recognition and at the transition date in accordance with the Standard. For transition purposes, no allowance was made for experience adjustments or changes in assumptions, and the contractual service margin was released annually based on coverage units.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Re-designation of Financial Assets

As the Group had applied IFRS 9 before the date of initial application of IFRS 17, it may reassess qualifying financial assets based on the facts and circumstances that existed at the date of initial application. Where the conditions under IFRS 9 are met, those financial assets may be redesignated. Such designation and classification shall be applied retrospectively, while prior periods need not be restated. Based on asset-liability management considerations, the Group redesignated financial assets on January 1, 2026, in accordance with the relevant requirements and calculated the retrospective effects thereof. However, the comparative periods presented in these financial statements were not restated.

4) Financial Impact of the Group's Adoption of IFRS 17 from January 1, 2026

A) Consolidated balance sheet as of January 1, 2025 (the transition date) prepared under IFRS 17

	2024.12.31 Book value (IFRS 4)	Impact of IFRS 17 Adoption		2025.1.1 Book value (IFRS 17)
		Reclassification	Remeasurements	
Cash and Cash equivalents	\$ 12,564,974	-	-	12,564,974
Receivables	5,449,261	(3,734,507)	10,102	1,724,856
Various Financial Assets and Loans	25,899,091	-	-	25,899,091
Current tax assets	2,761,609	-	-	2,761,609
Assets held for sale	3,473,023	-	-	3,473,023
Right-of-use assets	447,634	-	-	447,634
Investment property	6,373,912	-	-	6,373,912
Insurance contract assets	-	1,943	43,061	45,004
Reinsurance contract assets	41,126,003	(11,093,736)	205,042	30,237,309
Property and equipment	7,233,471	-	-	7,233,471
Intangible assets	238,951	-	-	238,951
Deferred tax assets	9,340,435	-	2,592	9,343,027
Other assets	5,747,049	1,110,470	-	6,857,519
Total Assets	\$ 120,655,413	(13,715,830)	260,797	107,200,380
Accounts Payable	\$ 15,838,218	(11,513,081)	-	4,325,137
Current tax liabilities	193,696	-	-	193,696
Liabilities related to assets classified as held for sale	154,973	-	-	154,973
Financial liabilities	120,828	-	-	120,828
Insurance contract liabilities	77,415,269	(3,890,182)	(4,550,018)	68,975,069
Reinsurance contract liabilities	-	-	28,821	28,821
Lease liabilities	467,693	-	-	467,693
Deferred tax liabilities	1,463,288	-	-	1,463,288
Other liabilities	1,866,413	1,687,433	(407,386)	3,146,460
Provisions	634,582	-	-	634,582
Total Liabilities	\$ 98,154,960	(13,715,830)	(4,928,583)	79,510,547

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	2024.12.31 Book value (IFRS 4)	<u>Impact of IFRS 17 Adoption</u>		2025.1.1 Book value (IFRS 17)
		<u>Reclassification</u>	<u>Remeasurements</u>	
Share capital	\$ 3,000,000	-	-	3,000,000
Capital surplus	1,192,720	-	-	1,192,720
Retained earnings	17,271,504	-	5,616,551	22,888,055
Other equity	329,897	-	(564,003)	(234,106)
Non-controlling interests	<u>706,332</u>	<u>-</u>	<u>136,832</u>	<u>843,164</u>
Total equity	\$ <u>22,500,453</u>	<u>-</u>	<u>5,189,380</u>	<u>27,689,833</u>

a) Reclassification changes presented in the table above mainly comprise:

- Inclusion of insurance and reinsurance-related receivables and payables within insurance and reinsurance contract assets and liabilities under IFRS 17: IFRS 17 requires that all future fulfilment cash flows be included in the measurement of groups of insurance contracts. Therefore, insurance and reinsurance-related receivable and payable balances previously presented separately in the statement of financial position under IFRS 4, including premium receivables and claims payables, are incorporated into the measurement of insurance and reinsurance contract assets or liabilities upon the application of IFRS 17.

b) Remeasurement changes presented in the table above mainly comprise:

- Insurance and reinsurance contract assets and liabilities: under IFRS 4, insurance and reinsurance contract liabilities were measured based on the statutory reserve requirements prescribed by the local regulatory authority. In contrast, IFRS 17 requires the establishment of a contractual service margin and an explicit risk adjustment for non-financial risk. In addition, insurance acquisition cash flows were recognized in profit or loss as incurred under IFRS 4, whereas under IFRS 17 such cash flows are included in the measurement of the related groups of insurance contracts upon initial recognition.
- In accordance with the transition provisions of IFRS 17, the Group redesignated financial assets as of January 1, 2026. However, the comparative financial statements for 2025 have not been restated. The impact of the redesignation of financial assets is described in Section B below.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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- a) Consolidated balance sheet as of January 1, 2026 prepared under IFRS 17

Reconciliation of Changes in the Group's financial assets as at the date of initial application of IFRS 17:

- i) Financial assets at fair value through profit or loss

	2025.12.31			2026.1.1	Impact on	Impact on other
	Book Value	Reclassification	Remeasurements	Book value	retained	equity
Financial assets at fair value through profit or loss:	\$ 24,696,503	-	-	24,696,503	-	-
Less:						
To financial assets at fair value through other comprehensive income	-	(13,620,072)	-	(13,620,072)	-	-
Financial assets at fair value through profit or loss	\$ 24,696,503	(13,620,072)	-	11,076,431	-	-

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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ii) Financial assets at fair value through other comprehensive income

	2025.12.31			2026.1.1	Impact on	Impact on other
	Book value	Reclassification	Remeasurements	Book value	retained	equity
Financial assets at fair value through other comprehensive income:	\$ 16,833,450	-	-	16,833,450	-	-
Add:						
From redesignated from financial assets at fair value through profit or loss	-	13,620,072	-	13,620,072	(674,261)	674,261
Less:						
To financial assets at amortized cost	-	(3,272,401)	-	(3,272,401)	-	-
Financial assets at fair value through other comprehensive income	\$ 16,833,450	10,347,671	-	27,181,121	(674,261)	674,261

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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iii) Financial assets at amortized cost

	2025.12.31			2026.1.1	Impact on	Impact on other
	Book value	Reclassification	Remeasurements	Book value	retained	equity
					earnings	
Financial assets at amortized cost:	\$ 1,721,690	-	-	1,721,690	-	-
Add:						
From redesignated from financial assets at fair value through other comprehensive income	-	3,272,401	826,223	4,098,624	-	660,979
Financial assets at amortized cost	\$ 1,721,690	3,272,401	826,223	5,820,314	-	660,979

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(ii) Other amendments

The following new amendments became effective on January 1, 2026, but did not have a significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual reporting periods beginning on or after January 1, 2027, would not have a significant impact on its consolidated financial statements:

- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

The Group expects to adopt the following new and amended standards, which effective for annual period beginning on January 1, 2028:

(i) IFRS 18 “Presentation and Disclosure in Financial Statements”

The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. These three main requirements combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all entities.

- A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities.
- Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.
- Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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The new standard introduces consequential amendments to IAS 7, which require to use the newly defined operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method. Certain adjusting items included in the reconciliation will change as a result of the new starting point. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.

The Group is evaluating the impact on its consolidated financial statements upon the initial adoption of the new standard.

- (ii) Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”

The Group does not expect the amendments to have a significant impact on its consolidated financial statements.

- (c) The impact of IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 20 “Regulatory Assets and Regulatory Liabilities”

(4) Summary of material accounting policies

- (a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises (hereinafter referred to as the Regulations), FSC Order Jin-Guan-Bao-Cai-Zi No. 1140131712, FSC Order Jin-Guan-Bao-Cai-Zi No.11504111391 and IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as FSC). The consolidated financial statements do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (collectively referred to “IFRS Accounting Standards” endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2025. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2025.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Business Type	Shareholding		
			June 30, 2026	December 31, 2025	June 30, 2025
The Company	Fubon Insurance (Vietnam) Co., Ltd	Insurance	100 %	100 %	100 %
The Company	Fubon P&C Insurance Co., Ltd	Insurance	40 %	40 %	40 %
The Company	Fubon Insurance Broker (Thailand) Co., Ltd	Insurance broker	48.97 %	48.97 %	48.97 %
The Company	Fubon Insurance Broker (Philippines) Co., Ltd	Insurance broker	99.99 %	99.99 %	99.99 %
The Company	Fubon Reinsurance Labuan Co., Ltd.	Reinsurance	100.00 %	100.00 %	100.00 %

(c) Insurance contracts

(i) Definitions and classification

1) Insurance contracts issued

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

2) Reinsurance contracts held

The Group uses reinsurance to reduce its risk exposure. A reinsurance contract held transfers substantially all insurance risk relating to the reinsured portion of the underlying insurance contracts to the reinsurer. Even if the reinsurance contract held does not expose the issuer to the possibility of a significant loss, the reinsurance contract held is still considered to transfer significant insurance risk.

Unless specifically indicated, insurance contracts used in the consolidated financial statements refer to issued insurance contracts (including issued reinsurance contracts) and reinsurance contracts held.

(ii) Aggregation and Separation of Insurance Contracts

1) Level of aggregation of insurance contracts

The Group groups insurance contracts that are subject to similar risks and are managed together into the same portfolio of insurance contracts. Each portfolio is further divided into groups of contracts based on expected profitability, including contracts that are onerous at initial recognition, contracts that have no significant possibility of becoming onerous subsequently, and the remaining contracts.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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The Group divides each portfolio of insurance contracts issued into at least the following groups:

- a) a group of contracts that are onerous at initial recognition, if any;
- b) a group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently, if any; and
- c) a group of the remaining contracts in the portfolio, if any.

The Group divides each portfolio of reinsurance contracts held into at least the following groups:

- a) a group of contracts for which there is a net gain at initial recognition, if any;
- b) a group of contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently, if any; and
- c) a group of the remaining contracts in the portfolio, if any.

A group of insurance contracts is determined from the contracts in a portfolio that are issued within a period of no more than one year.

The level of aggregation is determined at initial recognition and is not reassessed thereafter.

For insurance contracts measured under the premium allocation approach, the Group assumes that no contracts in a portfolio are onerous at initial recognition, unless facts and circumstances indicate otherwise. Where facts and circumstances indicate that certain contracts are onerous, the Group performs additional assessments to distinguish the onerous contracts from the non-onerous contracts.

2) Separation of Insurance Contracts

The Group assesses whether an insurance contract contains components that are required to be separated. IFRS 17 requires the following components to be separated if they would fall within the scope of another standard as standalone contracts:

- a) cash flows relating to embedded derivatives that are required to be separated under IFRS 9 Financial Instruments;
- b) cash flows relating to distinct investment components; and
- c) any promise to transfer distinct goods or non-insurance services to a policyholder.

(iii) Initial recognition of insurance contracts

1) Insurance contracts

The Group recognizes a group of insurance contracts from the earliest of the following:

- the beginning of the coverage period of the group of contracts;

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

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- the date when the first payment from a policyholder in the group becomes due; and
- for a group of onerous contracts, when the group becomes onerous.

Insurance contracts acquired in a transfer of insurance contracts that do not form a business, or in a business combination within the scope of IFRS 3, are recognized on the date of acquisition or transfer.

2) Reinsurance contracts held

The Group recognizes a group of reinsurance contracts held from the earliest of the following:

- the beginning of the coverage period of the group of reinsurance contracts held; and
- the date on which the Group recognizes an onerous group of underlying insurance contracts, if the Group entered into the related reinsurance contracts held in the group of reinsurance contracts held at or before that date.

A group of reinsurance contracts held shall be recognized at the same time as the corresponding group of insurance contracts if the Group enters into the reinsurance contracts held before or at the same time that the corresponding group of insurance contracts is recognized as an onerous group, and such date is earlier than the beginning of the coverage period of the group of reinsurance contracts held. Otherwise, the group of reinsurance contracts held shall be recognized at the beginning of its coverage period.

(iv) Measurement of insurance contracts and reinsurance contracts held

1) Initial recognition: groups of contracts not measured under the premium allocation approach

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

a) Fulfilment cash flows

- i) The Group's current estimates of future cash flows that are expected to be collected from premiums and paid out for claims, benefits and expenses within the contract boundary of a group of contracts, adjusted to reflect the timing and uncertainty of those amounts, comprise:
 1. estimates of future cash flows;
 2. an adjustment to reflect the time value of money and financial risks related to the future cash flows (to the extent that the financial risks are not included in the estimates of the future cash flows) ; and

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

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3. a risk adjustment for non-financial risk. The discount rates applied to the estimates of future cash flows reflect the timing, currency and liquidity characteristics of the cash flows of the insurance contracts. The Group uses consistent assumptions to measure the estimates of the present value of future cash flows for a group of reinsurance contracts held and the estimates of the present value of future cash flows for the groups of underlying insurance contracts.

ii) Contract boundary

The Group uses the concept of contract boundary to determine the cash flows that should be included in the measurement of a group of insurance contracts. Cash flows outside the contract boundary that relate to future insurance contracts are recognized by the Group when those contracts meet the recognition criteria.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period, including rights of the Group to require the policyholder to pay premiums or substantive obligations of the Group to provide insurance contract services to the policyholder.

A substantive obligation to provide insurance contract services ends when the Group has the practical ability to reassess the risks of a particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or when both of the following conditions are met:

1. The Group has the practical ability to reassess the risks of the portfolio of insurance contracts that contains the contract and, as a result, can set a price or level of benefits that fully reflects the risks of that portfolio; and
2. the premiums charged up to the date of the risk reassessment do not reflect risks relating to periods after the reassessment date.

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

iii) Insurance acquisition cash flows

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

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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The Group uses a systematic and rational method to allocate insurance acquisition cash flows to:

1. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated to:
 - the group; and
 - groups that will include insurance contracts expected to arise from renewals of the insurance contracts in the group.
2. Insurance acquisition cash flows directly attributable to a portfolio are allocated to existing and expected groups in that portfolio.

The Group recognizes insurance acquisition cash flows that are paid before the recognition of the related group of insurance contracts (or insurance acquisition cash flows for which a liability has been recognized in accordance with another IFRS Accounting Standard) as an insurance acquisition cash flow asset. The Group derecognizes the insurance acquisition cash flow asset when the related insurance acquisition cash flows are included in the measurement of the corresponding group of insurance contracts.

The Group assesses the recoverability of insurance acquisition cash flow assets at the end of each reporting period. When facts and circumstances indicate that an insurance acquisition cash flow asset may be impaired, the carrying amount of the asset is reduced and an impairment loss is recognized in insurance service expenses.

If the conditions that gave rise to the impairment no longer exist, or have improved, the Group reverses part or all of the previously recognized impairment loss through profit or loss and adjusts the carrying amount of the asset accordingly.

iv) Risk adjustment for non-financial risk

The risk adjustment for non financial risk is the adjustment to the estimates of the present value of future cash flows to reflect the compensation the Group requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non financial risk.

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

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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b) Contractual service margin

i) Insurance contracts

The Group recognizes the unearned profit relating to the future provision of insurance contract services as the contractual service margin, which is a component of the asset or liability of a group of insurance contracts and which will be recognized as profit as insurance contract services are provided by the contracts in the group. On initial recognition of a group of insurance contracts, the Group measures the contractual service margin at an amount that results in no income or expenses arising from the following items, unless the group of contracts is onerous or insurance revenue and insurance service expenses arise from the derecognition of assets or liabilities for cash flows recognized before the recognition of the group:

1. the initial recognition of the fulfilment cash flows;
2. all cash flows arising from the contracts in the group at that date;
3. the derecognition of any insurance acquisition cash flow assets; and
4. the derecognition of any other assets or liabilities previously recognized for cash flows related to the group of contracts, with insurance revenue and insurance service expenses recognized at the same time.

If the sum of the amounts described above is a net outflow, the group of insurance contracts is an onerous group at initial recognition. The Group recognizes the resulting loss immediately in profit or loss, thereby reducing the contractual service margin of the group to zero and ensuring that the carrying amount of the liability for the group equals the fulfilment cash flows. The Group also establishes a loss component of the liability for remaining coverage equal to the loss recognized.

ii) Reinsurance contracts held

Any net cost or net gain on a group of reinsurance contracts held is recognized as a contractual service margin at initial recognition, unless the net cost of purchasing reinsurance coverage relates to events that occurred before the purchase of the group of reinsurance contracts held, in which case the Group recognizes such cost immediately in profit or loss as an expense. For a group of reinsurance contracts held, the contractual service margin represents the deferred net cost or deferred net gain of purchasing reinsurance coverage. It is recognized in profit or loss over the period during which the Group receives insurance contract services from the reinsurer and is equal to the sum of the following amounts:

1. the fulfilment cash flows;
2. the amount of any assets or liabilities previously recognized for cash flows relating to the group of reinsurance contracts held that are derecognized at that date;

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

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3. any cash flows arising at that date; and
4. when a loss is recognized on initial recognition of an onerous group of underlying insurance contracts or on the addition of onerous underlying insurance contracts to a group, the Group adjusts the contractual service margin of the group of reinsurance contracts held and recognizes any resulting gain in profit or loss. At the same time, the Group establishes or adjusts a loss-recovery component of the asset for remaining coverage in an amount equal to the gain recognized.

When a group of onerous insurance contracts comprises both insurance contracts covered by a group of reinsurance contracts held and insurance contracts not covered by such a group of reinsurance contracts held, the Group applies a systematic and rational allocation basis to determine the portion of the loss recognized on the group of insurance contracts that relates to the insurance contracts covered by the group of reinsurance contracts held.

- c) For insurance contracts acquired through a transfer of insurance contracts or a business combination within the scope of IFRS 3, the contractual service margin at initial recognition of a group of insurance contracts is measured at an amount that does not result in income or expenses arising from:
 - i) the initial recognition of the fulfilment cash flows; and
 - ii) all cash flows arising from the contracts in the group at that date, including using the fair value of the group of insurance contracts at the acquisition date as a substitute for the premiums received.
- 2) Subsequent measurement: groups of contracts not measured under the premium allocation approach
 - a) Groups of insurance contracts: at the end of each reporting period, the carrying amount of a group of insurance contracts shall be the sum of:
 - i) the liability for remaining coverage, comprising:
 1. the fulfilment cash flows related to future services that are allocated to the group at that date; and
 2. the contractual service margin of the group at that date.
 - ii) the liability for incurred claims, comprising the fulfilment cash flows related to past services that are allocated to the group at that date.
 - b) Groups of reinsurance contracts held: at the end of each reporting period, the carrying amount of a group of reinsurance contracts held shall be the sum of:
 - i) the asset for remaining coverage, comprising:
 1. the fulfilment cash flows relating to future services that are allocated to the group at that date; and

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2. the contractual service margin of the group at that date.
- ii) the asset for incurred claims, comprising the fulfilment cash flows relating to past services that are allocated to the group at that date.
- c) Changes in fulfilment cash flows
 - i) At the end of each reporting period, the Group updates the estimates of fulfilment cash flows using current assumptions and discount rates. Changes in the estimates of fulfilment cash flows are treated as follows:
 1. changes that relate to current or past service are recognized in profit or loss; and
 2. changes that relate to future service are recognized by adjusting the contractual service margin or the loss component.
 - ii) For insurance contracts measured under the general measurement model, changes in fulfilment cash flows that relate to future service adjust the contractual service margin of a group of insurance contracts, including:
 1. experience adjustments arising from premiums received in the period that relate to future service and related cash flows;
 2. changes in the estimates of the present value of future cash flows of the liability for remaining coverage;
 3. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period. Such differences are determined by comparing: (i) the investment components that actually become payable in the period; with (ii) the expected payments that were projected at the beginning of the period to become payable during the period, together with any insurance finance income or expenses accrued in relation to those expected payments before they became payable;
 4. changes in the risk adjustment for non-financial risk that relate to future service.

The adjustments described in 1, 2 and 3 above shall be measured using the discount rates determined on initial recognition of the group of insurance contracts.
 - iii) For insurance contracts measured under the general measurement model, the following changes in fulfilment cash flows do not adjust the contractual service margin of a group of insurance contracts, because they do not relate to future service:
 1. the effects of the time value of money and changes therein, and the effects of financial risk and changes therein on the fulfilment cash flows;

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2. changes in the estimates of the fulfilment cash flows of the liability for incurred claims;
3. premiums received in the period that do not relate to future service and related cash flows; and
4. experience adjustments relating to insurance service expenses (other than insurance acquisition cash flows).

d) Adjustments to the contractual service margin

- i) For a group of insurance contracts issued, the carrying amount at the end of each reporting period equals the carrying amount at the beginning of the reporting period, adjusted for:
 1. the effect of any new contracts added to the group;
 2. interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at initial recognition;
 3. changes in fulfilment cash flows that relate to future service, please refer to Note 4(i)6(4)C.b., recognized by adjusting the contractual service margin, subject to the limit that the adjustment cannot exceed the carrying amount of the contractual service margin. Where the increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the contractual service margin is reduced to zero, any excess is recognized as insurance service expenses, and a loss component is simultaneously established within the liability for remaining coverage. Where the contractual service margin is already zero, further changes in fulfilment cash flows are recognized in insurance service expenses and adjust the loss component. If the fulfilment cash flows subsequently decrease by more than the loss component, the loss component is reduced to zero and the contractual service margin is re-established for the excess amount;
 4. the effect of any foreign exchange differences on the contractual service margin; and
 5. the amount recognized as insurance revenue because of the transfer of services in the period.
- ii) For a group of reinsurance contracts held, the carrying amount at the end of each reporting period equals the carrying amount at the beginning of the reporting period, adjusted for:
 1. the effect of any new contracts added to the group;
 2. interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at initial recognition;

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3. at initial recognition of an onerous group of underlying insurance contracts, or on the addition of onerous underlying insurance contracts to a group, recognizing a loss, the contractual service margin of the group of reinsurance contracts held is adjusted and income is recognized, and a loss-recovery component of the asset for remaining coverage is established (or adjusted) for that amount;
4. reversals of the loss-recovery component recognized, to the extent that those reversals are not changes in the fulfilment cash flows of the group of reinsurance contracts held;
5. changes in fulfilment cash flows that relate to future service, unless the change results from a change in the fulfilment cash flows allocated to a group of underlying insurance contracts that does not adjust the contractual service margin of that group of underlying insurance contracts;
6. the effect of any foreign exchange differences on the contractual service margin; and
7. the amount recognized in profit or loss because of the services received in the period.

For the purpose of calculations under 3 to 5 above, the Group applies a systematic and rational method of allocation to determine the portion of the loss on the group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

iii) Discount rate used for accreting interest on the contractual service margin

For insurance contracts without direct participation features, interest is accreted using the discount rate determined at the date of initial recognition of the group of contracts that is applied to nominal cash flows that do not vary based on returns on any underlying items. In subsequent reporting periods, if further contracts are added to an existing group, the Group revises this discount rate using the weighted-average discount rate over the period during which the contracts in the group are issued, which cannot exceed one year.

iv) Release of the contractual service margin to profit or loss

The amount recognized as insurance revenue because of the transfer of services in the period is determined by allocating the contractual service margin remaining at the end of the reporting period on the basis of coverage units over the current and remaining coverage period.

The coverage period is the period during which the Group provides insurance contract services. Insurance contract services comprise coverage for insured events.

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

For reinsurance contracts held, coverage units are determined based on the insurance coverage provided by the reinsurer. The quantity of benefits is assessed by considering both the sums insured of the underlying ceded policies and the new business expected to be covered within the contract boundary of the reinsurance contracts.

The coverage period of such reinsurance contracts is determined with reference to the coverage period of all underlying contracts whose cash flows are included within the contract boundary of the reinsurance contracts.

v) Onerous contracts – loss component

When the increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the group of contracts becomes onerous and the excess is recognized in insurance service expenses, with a loss component established under the liability for remaining coverage.

Following recognition of a loss on an onerous group of insurance contracts, the Group allocates the following between the loss component and the liability for remaining coverage excluding the loss component, on the basis of the ratio of the loss component to the expected future cash outflows and the risk adjustment for non-financial risk included in the fulfilment cash flows:

1. the estimates of the present value of future cash flows for claims and expenses released from the liability for remaining coverage because of insurance service expenses incurred;
2. changes in the risk adjustment for non-financial risk; and
3. insurance finance income or expenses.

The allocations in 1 and 2 above reduce the components of insurance revenue and insurance service expenses, respectively.

In subsequent periods, a decrease in fulfilment cash flows reduces the remaining loss component, and after the loss component has been reduced to zero, the contractual service margin is re-established; an increase in fulfilment cash flows increases the loss component.

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

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The loss-recovery component determines the amount presented in profit or loss as a reversal of recoveries of losses from the group of reinsurance contracts held and, accordingly, excluded from the allocation of premiums paid to the reinsurer.

3) Initial recognition and subsequent measurement – groups of contracts measured under the premium allocation approach

a) Insurance contracts:

The Group applies the premium allocation approach (PAA) to short term contracts with coverage periods of one year or less, as well as to groups of insurance contracts for which the measurement of the liability for remaining coverage is reasonably expected not to differ materially from that under the general measurement model (GMM).

For insurance contracts issued, the Group defers insurance acquisition cash flows allocated to a group of contracts to which the premium allocation approach is applied over the coverage period of the group of contracts.

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

For insurance contracts issued, the liability for remaining coverage at initial recognition comprises the premiums received at that date by the Group, adjusted for the derecognition of any insurance acquisition cash flow assets and any other assets or liabilities previously recognized for cash flows related to the group of contracts before initial recognition.

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is the sum of:

- i) the liability for remaining coverage;
- ii) the liability for incurred claims, comprising the fulfilment cash flows allocated to the group that relate to past service as of the reporting date.

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

- i) plus the premiums received in the period;
- ii) minus insurance acquisition cash flows;
- iii) minus the amount recognized as insurance revenue for the coverage provided in the period; and

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- iv) plus any amounts relating to the amortization of insurance acquisition cash flows recognized as expenses in the reporting period.

b) Reinsurance contracts held:

Reinsurance contracts held by the Group are measured under the premium allocation approach if the coverage period is one year or less, or if the coverage period exceeds one year but the measurement of the liability for remaining coverage does not differ materially from that which would be produced by applying the general measurement model.

For reinsurance contracts held, at initial recognition, the Group measures the asset for remaining coverage as the reinsurance premiums paid, plus or minus any amount derecognized from cash flows previously recognized before initial recognition.

At the end of each subsequent reporting period, the carrying amount of a group of reinsurance contracts held is the sum of:

- i) the asset for remaining coverage;
- ii) the asset for incurred claims, comprising the fulfilment cash flows allocated to the group that relate to past service as of the reporting date.

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

- i) plus the reinsurance premiums paid in the period; and
- ii) minus the amount recognized as reinsurance premiums for services expected to be received in the period.

The Group adjusts the carrying amount of the liability for remaining coverage of groups of reinsurance contracts held to reflect the effect of the reinsurer's non-performance risk.

- c) If the premiums of the contracts are due within the coverage period and within one year, the Group elects not to adjust the liability for remaining coverage of insurance contracts issued for the time value of money. If the coverage period of the contracts exceeds one year, the Group adjusts the liability for remaining coverage for the effect of the time value of money.

For contracts measured under the premium allocation approach, the asset or liability for incurred claims is measured in a manner similar to the measurement of the liability for incurred claims for contracts measured under the general measurement model. Future cash flows are adjusted for the time value of money, as the claims settlement period for the related products is expected to exceed one year.

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- d) If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognizes a loss in profit or loss and increases the liability for remaining coverage by the amount by which the fulfilment cash flows measured under the general measurement model exceed the carrying amount of the liability for remaining coverage, and establishes a loss component. In each subsequent financial reporting period, the loss component is remeasured by calculating the difference between the fulfilment cash flows for the related future service measured under the general measurement model and the liability for remaining coverage. Changes in the loss component are reflected in insurance service expenses.

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

An onerous group of insurance contracts may include both onerous insurance contracts covered by a group of reinsurance contracts held and onerous insurance contracts that are not so covered. The Group applies a systematic and rational method of allocation to determine the portion of the loss recognized on the group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

(v) Contract modification and derecognition

If the terms of an insurance contract are modified—for example, where the Group reaches a consensus with the other party to the contract, or where the contract is modified due to regulation—the Group treats the resulting changes in cash flows as changes in estimates of fulfilment cash flows, unless the original contract meets the conditions for derecognition.

The Group derecognizes an insurance contract when, and only when:

- 1) the insurance contract is extinguished, that is, when the obligations specified in the insurance contract expire or are discharged or cancelled; or
- 2) any of the following conditions for contract modification is met, in which case the Group derecognizes the original contract and recognizes the modified contract as a new contract:
 - a) if the modified terms had been included at contract inception, and the Group concludes that the modified contract falls within one of the following situations:
 - i) the modified contract would have been outside the scope of IFRS 17;

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

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- ii) the modification would have separated different components from the host insurance contract, resulting in different insurance contracts to which IFRS 17 would have applied;
 - iii) the modified contract would have had a substantially different contract boundary; or
 - iv) the modified contract would have been included in a different group of contracts;
- b) the original contract was measured under the premium allocation approach, but such modifications mean that the contract no longer meets the eligibility criteria for the premium allocation approach.

The Group derecognizes an insurance contract when, and only when, the insurance contract is extinguished, that is, when the obligation specified in the insurance contract expires or is discharged or cancelled.

(vi) Presentation in the Financial Statements

- 1) Insurance contract assets/liabilities represent insurance contracts recognized in accordance with IFRS 17 Insurance Contracts and the relevant regulations governing the establishment of various policy reserves by insurance enterprises. These balances are aggregated at the portfolio level and presented as either a net debit balance (asset) or a net credit balance (liability). They include the liability for remaining coverage, the liability for incurred claims, and insurance acquisition cash flow assets.
- 2) Reinsurance contract assets/liabilities represent reinsurance contracts recognized in accordance with IFRS 17 Insurance Contracts and the relevant regulations governing the establishment of various policy reserves by insurance enterprises. These balances are aggregated at the portfolio level of reinsurance contracts held and presented as either a net debit balance (asset) or a net credit balance (liability). They include the asset for remaining coverage and the asset for incurred claims, and incorporate the effect of any non-performance risk of the issuer of the reinsurance contracts.
- 3) Insurance service result
 - a) Insurance revenue

As the Group provides insurance contract services in the reporting period, it reduces the liability for remaining coverage for the services provided and recognizes insurance revenue. The insurance revenue recognized for the period depicts the transfer of promised insurance contract services in an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing those services.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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For insurance contracts not measured under the premium allocation approach, insurance revenue includes the following:

- i) Amounts arising from changes in the liability for remaining coverage:
 - 1. the insurance service expenses incurred in the period, measured at the amounts expected at the beginning of the period, excluding:
 - a. amounts allocated to the loss component of the liability for remaining coverage;
 - b. repayments of investment components;
 - c. amounts relating to transaction based taxes collected on behalf of third parties;
 - d. insurance acquisition expenses; and
 - e. amounts relating to the risk adjustment for non-financial risk;
 - 2. the change in the risk adjustment for non-financial risk, excluding:
 - a. changes included in insurance finance income or expenses;
 - b. changes that relate to future service; and
 - c. amounts allocated to the loss component of the liability for remaining coverage;
 - 3. the amount of the contractual service margin recognized in profit or loss in the period; and
 - 4. other amounts, such as experience adjustments arising from premiums received that do not relate to future service.
- ii) Recovery of insurance acquisition cash flows: insurance revenue related to insurance acquisition cash flows is determined by allocating the portion of premiums relating to the recovery of those cash flows to each reporting period on a passage of time basis. For insurance contracts measured under the premium allocation approach, the Group recognizes insurance revenue on the basis of the passage of time over the coverage period of the group of contracts.

b) Insurance service expenses

Insurance service expenses include the following:

- i) incurred claims (excluding investment components) and other incurred insurance service expenses;
- ii) amortization of insurance acquisition cash flows;
- iii) changes relating to past service, i.e. changes in fulfilment cash flows relating to the liability for incurred claims; and

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- iv) changes relating to future service, i.e. losses on groups of onerous contracts and reversals of such losses.
- v) impairment of asset for insurance acquisition cash flows.

For insurance contracts not measured under the premium allocation approach, the amortization of insurance acquisition cash flows is reflected in insurance service expenses. The amount recognized is related to the recovery of insurance acquisition cash flows reflected in insurance revenue and is allocated on a consistent basis.

For insurance contracts measured under the premium allocation approach, insurance acquisition cash flows are amortized over the coverage period on a systematic basis reflecting the passage of time.

Cash flows relating to costs that cannot be directly attributed to the portfolio of insurance contracts in which the contracts are included are recognized, when incurred, under other operating expenses in the statement of comprehensive income.

c) Reinsurance contracts held

The Group presents income or expenses from a group of reinsurance contracts held as a single amount, which comprises the following:

- i) For reinsurance contracts held not measured under the premium allocation approach, the allocation of reinsurance premiums paid includes the following amounts arising from changes in the remaining coverage:
 - 1. the recoveries of incurred claims and other directly attributable expenses in the period, measured at the amounts expected at the beginning of the period, excluding:
 - a. amounts allocated to the loss-recovery component of the liability for remaining coverage;
 - b. repayments of investment components; and
 - c. amounts relating to the risk adjustment for non-financial risk.
 - 2. the change in the risk adjustment for non-financial risk, excluding:
 - a. changes included in the finance income or expenses from reinsurance contracts held;
 - b. changes that relate to future service; and
 - c. amounts allocated to the loss-recovery component.
 - 3. the amount of the contractual service margin recognized in profit or loss because of services received in the period; and

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

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4. experience adjustments arising from reinsurance premiums paid that do not relate to future service.
- ii) For reinsurance contracts held measured under the premium allocation approach, the Group recognizes the reinsurance expense on the basis of the passage of time over the coverage period of the group of contracts.
- iii) Amounts recovered from the reinsurer:
 1. incurred reinsurance claim recoveries and benefits (excluding investment components and net of the allocation of the loss-recovery component);
 2. other incurred reinsurance related expenses;
 3. changes relating to past service, i.e. changes in fulfilment cash flows relating to the asset for incurred claims; and
 4. amounts relating to reversal of onerous groups of underlying contracts.
- iv) Changes in the risk of non-performance by the reinsurer.
- d) Insurance finance income or expenses
 - i) Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from:
 1. the effects of the time value of money and changes in the time value of money; and
 2. the effects of financial risk and changes in financial risk.
 - ii) For contracts measured under the general measurement model, insurance finance income or expenses mainly comprise:
 1. the accretion of interest on fulfilment cash flows and on the contractual service margin; and
 2. the effects of changes in interest rates and other financial assumptions; and
 3. the effects of changes in foreign exchange rates.
 - iii) For contracts measured under the premium allocation approach, insurance finance income or expenses mainly comprise:
 1. the accretion of interest on the liability for incurred claims; and
 2. the effects of changes in interest rates and other financial assumptions.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- iv) The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.
- v) The Group chooses to recognize insurance finance income or expenses for the period in profit or loss.
- vi) For a group of insurance contracts that generates foreign currency cash flows, the Company treats the group of contracts (including the contractual service margin) as a monetary item.

(vii) Interim financial reporting

The Group applies IAS 34 “Interim Financial Reporting” in preparing its interim financial statements. The Group elects, in applying IFRS 17 in subsequent interim financial statements or in the annual reporting period, to change the treatment of accounting estimates made in previous interim financial statements.

(d) Financial instruments

(i) Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- 1) Investments in debt instruments that meet both of the following conditions:
 - a) The financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
 - b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In addition, effective January 1, 2026, the Group assesses the contractual cash flow characteristics of passively managed overseas bond ETFs denominated in New Taiwan dollars in accordance with Letter Jin-Guan-Bao-Cai No. 1140131712 issued by the Financial Supervisory Commission on March 12, 2025, and the practical guidance, Illustrative Examples for Classification of Passively Managed New Taiwan Dollar-Denominated Overseas Bond ETFs as FVOCI, published by the Taiwan Insurance Institute, in determining whether such ETFs satisfy the contractual cash flow characteristics test.

(e) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying the pre-tax income for the interim reporting period by management’s best estimate of the effective annual tax rate. This should be recognized and allocated to current and deferred taxes based on its proportionate size.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted when the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(f) Employee benefit

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these consolidated financial statements in accordance with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC), management has made judgments and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Information about assumptions and estimation uncertainties that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, reflecting economic uncertainties such as natural disasters and climate impacts, is as follows:

(a) Fair value of financial instruments

Financial instruments without active market or quoted market prices are measured using the valuation models or counterparty prices. When using the valuation model, all the models measured using the observable factors as inputs as much as possible and the inputs cannot be adjusted manually. In principle, the models used the factors can be long-term stably accessed in the market. To avoid the data source changed causing the gap of the financial report between the difference financial years. The models need to be adjusted and verified repeatedly to ensure the output can be measured the value of financial instruments properly.

(b) Expected credit loss

The impairment of financial assets of the Group is evaluated by identifying the credit risk of financial assets has significantly increased or not at the reporting date if the credit risk of financial asset has not significant incurred, the 12-month expected credit loss should be adopted to evaluate, or the lifetime credit loss evaluation should be adopted. To evaluate the expected credit losses for 12-month and lifetime, the Group considers the default probability of financial assets or issuers or counterparties, and loss given default rate multiplying the exposure at default, taking into account the time value of money as well evaluate 12-month and lifetime loss. The Group considers historical experiences, current market conditions and forward-looking estimates when determining the assumptions and inputs used to measure impairment losses.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(c) Fair value of property investment

The fair value of investment property is measured using valuation methods, including the income approach, market approach, and so on. Variations of assumptions used in these models will influence the reporting fair value of property investment.

(d) Insurance Contracts and Reinsurance Contracts

The Group is required to make the following significant judgments in measuring insurance contracts, reinsurance contracts and investment contracts:

- (i) Classification of contracts: Assessment of whether a contract transfers significant insurance risk and whether it contains direct participation features in order to determine the classification of insurance contracts and investment contracts.
- (ii) Aggregation level and initial recognition of insurance contracts and reinsurance contracts

For insurance contracts of the Group that are not measured under the premium allocation approach, the assessment of whether contracts are onerous at initial recognition, or whether there is a significant possibility that contracts will subsequently become onerous, is based on:

- the likelihood of changes in assumptions which, if they occur, would result in the contracts becoming onerous; and
- information derived from profitability estimates at the group-of-contracts level.

- (iii) Measurement of insurance contracts and reinsurance contracts not subject to the premium allocation approach

The asset or liability of a group of insurance contracts is measured as the total of the fulfilment cash flows and the contractual service margin of the contracts within the group. The fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, adjusted to reflect the time value of money and financial risks, together with a risk adjustment for non-financial risk. The assumptions and techniques used in estimating future cash flows and risk adjustments for non-financial risk are based on the terms of the contracts and the Group's actual experience. Significant judgment is required in determining the appropriate assumptions and techniques to be applied.

In addition, the contractual service margin represents the unearned profit that the Group will recognize as it provides services under the insurance contracts. The amount of the contractual service margin recognized in profit or loss is determined based on coverage units, which reflect the quantity of benefits provided under the contracts within the group and the expected coverage period. The coverage units of a group are determined by considering, for each contract, the quantity of benefits provided under the contract and its expected coverage period.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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Except for the modifications required by IFRS 17 for the measurement of reinsurance contracts held, the Group applies accounting policies consistent with those applied to insurance contracts without direct participation features when measuring reinsurance contracts held. Such modifications include, for example, using assumptions consistent with those of the underlying contracts in measuring the fulfilment cash flows of the group of reinsurance contracts held and recognizing the effect of any risk of non-performance by the issuer of the reinsurance contract. The risk adjustment for non-financial risk represents the amount of risk being transferred by the holder of the reinsurance contracts to the issuer of the reinsurance contracts. Upon initial recognition, the contractual service margin represents the net cost or net gain of purchasing reinsurance.

The judgments and estimates made by the Group in measuring insurance contracts and reinsurance contracts affect the amounts recognized in the financial statements for insurance contract and reinsurance contract assets or liabilities, insurance revenue, and income or expenses from reinsurance contracts held.

- (iv) Transition: determining whether there is reasonable and supportable information available for applying the full retrospective approach, the modified retrospective approach, or the fair value approach.

The measurement of insurance contracts and reinsurance contracts involves assumptions. For further information, please refer to Note 6(i). These assumptions include those relating to future cash flows, such as assumptions regarding loss ratios and discount rates. Changes in key assumptions may materially affect estimates of future fulfilment cash flows. However, such changes generally adjust the contractual service margin and do not affect the carrying amounts of the related insurance contracts and reinsurance contracts, unless the changes relate to onerous contracts or do not relate to future service.

(6) Explanation of significant accounts:

- (a) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand	\$ 86	76	102
Cash in bank	14,058,633	12,022,328	9,817,040
Short-term commercial papers	3,173,049	2,793,642	3,497,328
Less: Guarantee deposits	<u>(1,178,846)</u>	<u>(80,097)</u>	<u>(70,391)</u>
Total	<u><u>\$ 16,052,922</u></u>	<u><u>14,735,949</u></u>	<u><u>13,244,079</u></u>

The statutory deposit refers to the time deposits that serve as collateral and is recognized as guarantee deposits paid. Please refer to note 8 for further information.

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(b) Receivables and Notes receivable

(i) Receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 910,135	922,886	885,013
Other receivables	1,192,185	880,577	1,075,188
Total	<u><u>\$ 2,102,320</u></u>	<u><u>1,803,463</u></u>	<u><u>1,960,201</u></u>

(ii) Notes receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 910,257	923,325	885,346
Less: Allowance for bad debts	(122)	(439)	(333)
Total	<u><u>\$ 910,135</u></u>	<u><u>922,886</u></u>	<u><u>885,013</u></u>

(c) Financial assets and liabilities

(i) Financial assets and liabilities measured at fair value through profit or loss

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
FX swap contracts	\$ -	-	204,952
Non-derivative financial assets			
Stocks	1,010,480	13,588,493	8,037,436
Beneficiary certificates	6,272,118	11,108,010	7,801,372
Total	<u><u>\$ 7,282,598</u></u>	<u><u>24,696,503</u></u>	<u><u>16,043,760</u></u>
Held-for-trading financial liabilities:			
Non-hedge derivative instruments			
FX swap contracts	\$ 54,334	127,018	12,255
Total	<u><u>\$ 54,334</u></u>	<u><u>127,018</u></u>	<u><u>12,255</u></u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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1) Derivative financial instruments not for hedging

Derivative financial instruments are used for hedging foreign exchange risk and interest rate risk arising from operating, financing and investing activities. As of June 30, 2026, December 31 and June 30, 2025, the financial assets mandatorily measured at fair value through profit or loss and the held-for-trading financial liabilities which did not apply to hedge accounting are as follows:

	June 30, 2026		
	Contract amount	Currency	Maturity period
FX swap contracts	USD <u>185,000</u>	USD to NTD	2026.07.07~2026.09.30
December 31, 2025			
	Contract amount	Currency	Maturity period
	USD <u>195,000</u>	USD to NTD	2026.01.07~2026.03.31
June 30, 2025			
	Contract amount	Currency	Maturity period
	USD <u>205,000</u>	USD to NTD	2025.07.07~2025.10.16

(ii) Financial assets measured at fair value through other comprehensive income

	June 30, 2026	December 31, 2025	June 30, 2025
Debt investments measured at fair value through other comprehensive income:			
Government bonds	\$ 2,110,237	2,677,238	2,624,204
Corporate bonds	7,110,501	7,855,213	6,010,304
Financial bonds	5,120,539	4,933,926	4,065,132
Beneficiary Certificates	7,442,340	-	-
Assets securitization products	-	207,729	259,315
Guarantee deposits	<u>(438,043)</u>	<u>(438,534)</u>	<u>(435,436)</u>
Subtotal	<u>21,345,574</u>	<u>15,235,572</u>	<u>12,523,519</u>
Equity investments measured at fair value through other comprehensive income:			
Stocks	19,072,349	1,597,878	1,530,084
Beneficiary Certificates	<u>805,565</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 41,223,488</u>	<u>16,833,450</u>	<u>14,053,603</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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- 1) Investment in debt instruments measured at fair value through other comprehensive income

The Group has assessed that the securities are held within a business model whose objective is achieved by both collecting the contractual cash flows and selling securities. Therefore, they were classified as financial assets measured at fair value through other comprehensive income.

- 2) Investment in equity instruments measured at fair value through other comprehensive income

For the three months and six months ended June 30, 2026 and 2025, the Group recognized dividend income from abovementioned financial assets measured at fair value through other comprehensive income amounting to \$78,594 thousand, \$12,348 thousand, \$113,144 thousand and \$12,348 thousand, respectively.

For the three months and six months ended June 30, 2026 and 2025, dividend income from disposed financial assets measured at fair value through other comprehensive income within the same period all amounting to \$80,410 thousand, \$0 thousand, \$101,250 thousand and \$0 thousand, respectively.

For the three months and six months ended June 30, 2026, the Group disposed shares designated as measured at fair value through other comprehensive income due to assets allocation, managing and adjusting portfolios. The shares were sold at a fair value of \$11,610,621 thousand, \$30,928 thousand, \$16,784,190 thousand and \$30,928 thousand; and the accumulated gain (loss) were \$1,480,614 thousand, \$(9,076) thousand, \$1,832,185 thousand and \$(9,076) thousand. The accumulated gains and losses had been transferred from other equity to retained earnings.

- 3) The debt instruments were pledged as statutory deposits and bank loans. Please refer to Note 8 for further information.
- 4) The Group assessed the impairment of the debt instruments of financial assets measured at fair value through other comprehensive income as of June 30, 2026 and 2025. Please refer to Note 6(aa) for the changes in allowance for credit losses attributable to the above financial assets.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(iii) Investment in debt instruments at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds	\$ 632,419	-	-
Corporate bonds	3,513,557	-	-
Financial bonds	1,707,948	1,658,111	1,549,802
Bond securitization products	<u>58,505</u>	<u>64,172</u>	<u>66,269</u>
Subtotal	5,912,429	1,722,283	1,616,071
Less: Loss allowance	<u>(3,060)</u>	<u>(593)</u>	<u>(556)</u>
Total	<u>\$ 5,909,369</u>	<u>1,721,690</u>	<u>1,615,515</u>

- 1) The Group assessed that the investments were held within a business model whose objective was achieved by collecting the contractual cash flows and for which the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, they were classified as investment in debt instruments at amortized cost.
- 2) The Group assessed the impairment of the financial assets measured at amortized cost as of June 30, 2026 and 2025. Please refer to Note 6(aa) for the changes in the allowance for credit losses attributable to the above financial assets.

(iv) Other financial assets:

	June 30, 2026	December 31, 2025	June 30, 2025
Cash in bank	\$ 1,170,026	1,098,856	1,060,965
Restricted bank deposits-trust account	9,671	10,898	11,900
Less: Guarantee deposits-other	<u>(1,120,375)</u>	<u>(1,008,071)</u>	<u>(944,252)</u>
	<u>\$ 59,322</u>	<u>101,683</u>	<u>128,613</u>

Trust fund account refers to deposit wherein the urban renewal construction fee is conducted by financial institutions.

Moreover, this trust fund account is merely for urban renewal related payments such as tax fees in accordance with the terms of the trust agreement.

The statutory deposit refers to the time deposits that serve as collateral and is recognized as guarantee deposits paid. Please refer to Note 8 for further information.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(d) Assets held for sale

On May 22, 2024, the Board of Directors agreed to dispose three of the Company's investment properties located in Taipei and Kaohsiung, via public auction. The Zhonghua Building in Kaohsiung was sold and the ownership had been transferred on December 12, 2024. Thereafter, the Company plans to dispose the remaining properties. On March 12, 2025, the Board of Directors agreed to dispose seven of the Company's properties located in Taipei City、New Taipei City、Yunlin County and Tainan City, via public auction. These properties are reclassified as assets held for sale.

On December 3, 2024, the shareholders' meeting of the subsidiary, Fubon P&C Insurance Co., Ltd, agreed to sell all shares of Shenzhen Tengfubo Investment Co., Ltd. The transfer of shares was approved by the local authorities and had been completed on January 20, 2025, reducing the shareholding ratio from 8.167% to 0%.

The details of assets held for sale, the liabilities and equity directly associated with these assets are as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Assets held for sale			
Investment property	\$ 3,847,209	3,847,206	3,828,204
Owner-occupied property	<u>2,991</u>	<u>2,991</u>	<u>2,991</u>
	<u>\$ 3,850,200</u>	<u>3,850,197</u>	<u>3,831,195</u>
Liabilities directly associated with assets held for sale			
Deferred tax liabilities - reserve for land increment tax	124,028	125,403	127,042
Deferred tax liabilities - effect of investment property	63,860	64,167	61,043
Deferred tax liabilities- revaluation surplus	<u>300</u>	<u>300</u>	<u>300</u>
	<u>\$ 188,188</u>	<u>189,870</u>	<u>188,385</u>
Equity directly associated with assets held for sale			
Revaluation surplus	<u>\$ 132,576</u>	<u>132,576</u>	<u>132,576</u>

After measuring at fair value, the Group recognized \$1 thousand, \$(4,633) thousand, \$3 thousand and \$(4,633) thousand for the three months and six months ended June 30, 2026 and 2025, as a gain on fair value adjustment, which was reported in the Group's comprehensive income statement under gain or loss on investment properties.

As of June 30, 2026, December 31 and June 30, 2025, some assets held for sale have been pledged; please refer to Note 8.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Right-of-use assets

The Group leases many assets including buildings, transportation equipment, machinery and equipment. Information about leases for which the Group is the lessee is presented below:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Carrying amounts:			
Buildings and constructions	\$ 173,356	266,971	329,244
Other equipment	44,951	48,734	51,539
Transportation equipment	<u>7,170</u>	<u>9,837</u>	<u>10,017</u>
	<u>\$ 225,477</u>	<u>325,542</u>	<u>390,800</u>
	<u>For the three months ended June 30,</u>	<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>
Additions	<u>\$ 4,988</u>	<u>64,198</u>	<u>15,713</u>
Depreciation			
Buildings and constructions	52,619	52,535	104,833
Other equipment	4,632	4,645	9,119
Transportation equipment	<u>1,305</u>	<u>1,435</u>	<u>2,607</u>
	<u>\$ 58,556</u>	<u>58,615</u>	<u>116,614</u>

(f) Investment property

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Total</u>
Balance, January 1, 2026	\$ 4,371,796	1,523,097	5,894,893
Reclassification from property, plant and equipment	-	676	676
Reclassification to property, plant and equipment	(6,497)	(2,803)	(9,300)
Net gain (loss) on fair value adjustment	14,130	(12,604)	1,526
Effect of change in exchange rate	<u>-</u>	<u>(387)</u>	<u>(387)</u>
Balance, June 30, 2026	<u>\$ 4,379,429</u>	<u>1,507,979</u>	<u>5,887,408</u>
Balance, January 1, 2025	\$ 4,726,586	1,647,326	6,373,912
Reclassification from property, plant and equipment	-	6,998	6,998
Reclassification to assets held for sale	(418,134)	(54,567)	(472,701)
Net gain (loss) on fair value adjustment	43,806	(46,962)	(3,156)
Effect of change in exchange rate	<u>-</u>	<u>(463)</u>	<u>(463)</u>
Balance, June 30, 2025	<u>\$ 4,352,258</u>	<u>1,552,332</u>	<u>5,904,590</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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For the three months and six months ended June 30, 2026 and 2025, the rent revenue from investment property amounted to \$79,490 thousand, \$78,529 thousand, \$158,290 thousand and \$156,412 thousand, respectively; for the three months and six months ended June 30, 2026 and 2025, the direct operating expense amounted to \$16,175 thousand, \$20,478 thousand, \$16,461 thousand and \$25,778 thousand, respectively, of which \$413 thousand, \$726 thousand, \$435 thousand and \$937 thousand, respectively belong to the investment properties which do not generate rent revenue directly.

In accordance with Regulations Governing the Preparation of Financial Statements by Insurance Companies, the Group applies the following professional real estate appraiser's accreditation result that performs the appraisal in accordance with Regulations on Real Estate Appraisal as the base to evaluate the fair value of real estates. The appraisal date was June 30, 2026, December 31 and June 30, 2025. These appraiser firms are as follows:

The appraiser firm on June 30, 2026.

- (i) Jin Han Real Estate Appraisers Joint Firm: Hung Chi Hsiang, Wu Yu Chun and Lai Sheng Feng
- (ii) Repro Knight Frank Appraiser Firm: Hsu Hsiang I, and Wang Ming Yang
- (iii) SALLMANNS (FAR EAST) LIMITED : Chanvimol Rakanantachai

The appraiser firm on December 31, 2025.

- (i) Jin Han Real Estate Appraisers Joint Firm: Hung Chi Hsiang, Wu Yu Chun and Lai Sheng Feng
- (ii) Repro Knight Frank Appraiser Firm: Wu Hong Xu, Hsu Hsiang I, Wang Xin Ya and Wang Ming Yang
- (iii) SALLMANNS (FAR EAST) LIMITED : Chanvimol Rakanantachai

The appraiser firm on June 30, 2025.

- (i) Jin Han Real Estate Appraisers Joint Firm: Hung Chi Hsiang, Wu Yu Chun and Lai Sheng Feng
- (ii) Repro Knight Frank Appraiser Firm: Tsai Yu Hsiang, and Hsu Hsiang I
- (iii) SALLMANNS (FAR EAST) LIMITED : Chanvimol Rakanantachai

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The fair value of investment properties is determined by professional appraisal institutions based on market evidence. The valuation methods are primarily Sales Comparison Approach, Income Approach (Including direct capitalization method and discounted cash flow method), Cost Approach and Land Development Analysis Method of Cost Approach. The valuation method of office buildings adopts mainly Sales Comparison Approach and Income Approach because they are easier to circulate within the market and it is easier to obtain sales and rental information of similar object in the neighborhood. For townhouse and land, it usually adopts Cost Approach to evaluate because it's hard to find out the cases of Land and the size of townhouse exists huge difference that all result in a large diversity in total income and poor accuracy and reliability. The Land in development is evaluated by sales comparison approach and Land Development analysis method of cost approach.

Primary parameters applied are listed below:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Capitalization rate	1.73%~4.50%、7%	1.80%~4.50%、7%	1.80%~4.50%、7%
Profit rate	14.00%~20.00%	14.00%~20.00%	14.00%~20.00%
Capital interest rate	1.68%~3.76%	1.68%~3.76%	1.68%~3.76%

External appraisers apply market extraction method and collect the information of the transaction in the neighborhood which the objects' characteristics are similar to the target real estate. They also consider the market liquidity and risk premium of future disposal to determine the capitalization rate and discount rate.

The primary operation of investment properties is operating lease. Please refer to Notes 6(p). The content of lease contracts is the same as that in general lease.

As of June 30, 2026, December 31 and June 30, 2025, some investment properties had been pledged as collateral; please refer to Note 8.

(g) Insurance Contracts

The Group issues only insurance contracts in its insurance operations and does not issue any financial instruments with discretionary participation features. In addition, no insurance acquisition cash flow assets have arisen prior to the initial recognition of insurance contracts.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims

Description	LRC			LIC under GMM and VFA	LIC under PAA			Total
	Excluding loss component	Loss component	Subtotal		Present value of future cash flow	Risk adjustment for non-financial risk	Subtotal	
Insurance contract assets as at January 1,2026	\$ (83,786)	3,914	(79,872)	(22)	23,622	3,594	27,216	(52,678)
Insurance contract liabilities as at January 1,2026	28,147,791	331,881	28,479,672	5,598,728	36,219,052	2,586,377	38,805,429	72,883,829
Balance, net at January 1,2026	<u>28,064,005</u>	<u>335,795</u>	<u>28,399,800</u>	<u>5,598,706</u>	<u>36,242,674</u>	<u>2,589,971</u>	<u>38,832,645</u>	<u>72,831,151</u>
Insurance Revenue								
Contracts measured under the modified retrospective approach	(670,267)	-	(670,267)	-	-	-	-	(670,267)
other contracts	(37,277,857)	-	(37,277,857)	-	-	-	-	(37,277,857)
Insurance revenue	<u>(37,948,124)</u>	<u>-</u>	<u>(37,948,124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,948,124)</u>
Insurance service expenses								
Incurred claims (excluding investment components) and other directly attributable expenses	-	(1,681)	(1,681)	1,141,068	18,936,420	648,385	19,584,805	20,724,192
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	-	909,699	(1,193,346)	(1,011,222)	(2,204,568)	(1,294,869)
Changes that relate to future service – losses on onerous contracts and reversals of those losses	-	354,630	354,630	-	-	-	-	354,630
Insurance acquisition cash flows amortisation	6,967,822	-	6,967,822	-	-	-	-	6,967,822
Insurance service expenses	<u>6,967,822</u>	<u>352,949</u>	<u>7,320,771</u>	<u>2,050,767</u>	<u>17,743,074</u>	<u>(362,837)</u>	<u>17,380,237</u>	<u>26,751,775</u>
Insurance service result	<u>(30,980,302)</u>	<u>352,949</u>	<u>(30,627,353)</u>	<u>2,050,767</u>	<u>17,743,074</u>	<u>(362,837)</u>	<u>17,380,237</u>	<u>(11,196,349)</u>
Finance expenses from insurance contracts issued								
Interest rate	25,018	(6,032)	18,986	21,079	165,376	-	165,376	205,441
Finance expenses from insurance contracts issued	<u>25,018</u>	<u>(6,032)</u>	<u>18,986</u>	<u>21,079</u>	<u>165,376</u>	<u>-</u>	<u>165,376</u>	<u>205,441</u>
Foreign exchange gain/loss	<u>(1,600)</u>	<u>-</u>	<u>(1,600)</u>	<u>-</u>	<u>1,266</u>	<u>-</u>	<u>1,266</u>	<u>(334)</u>
Exchange differences resulting from translating the financial statements of a foreign operation	<u>42,800</u>	<u>4,387</u>	<u>47,187</u>	<u>-</u>	<u>101,168</u>	<u>4,290</u>	<u>105,458</u>	<u>152,645</u>
Total amounts recognised in comprehensive income	<u>(30,914,084)</u>	<u>351,304</u>	<u>(30,562,780)</u>	<u>2,071,846</u>	<u>18,010,884</u>	<u>(358,547)</u>	<u>17,652,337</u>	<u>(10,838,597)</u>
Investment components	<u>(12,016)</u>	<u>-</u>	<u>(12,016)</u>	<u>12</u>	<u>12,004</u>	<u>-</u>	<u>12,004</u>	<u>-</u>
Insurance acquisition cash flows asset and other pre-recognition cash flows derecognised and other changes	<u>(51,256)</u>	<u>-</u>	<u>(51,256)</u>	<u>-</u>	<u>4,442</u>	<u>84,698</u>	<u>89,140</u>	<u>37,884</u>
Cash flows								
Premiums received	40,588,811	-	40,588,811	-	-	-	-	40,588,811
Claims paid and Other directly attributable expenses paid	-	-	-	(842,817)	(19,974,108)	-	(19,974,108)	(20,816,925)
Insurance acquisition cash flows	(6,929,544)	-	(6,929,544)	-	-	-	-	(6,929,544)
Total cash flows	<u>33,659,267</u>	<u>-</u>	<u>33,659,267</u>	<u>(842,817)</u>	<u>(19,974,108)</u>	<u>-</u>	<u>(19,974,108)</u>	<u>12,842,342</u>
Insurance contract assets as at June 30,2026	<u>(271,044)</u>	<u>3,972</u>	<u>(267,072)</u>	<u>(13)</u>	<u>65,733</u>	<u>(116)</u>	<u>65,617</u>	<u>(201,468)</u>
Insurance contract liabilities as at June 30,2026	<u>31,016,960</u>	<u>683,127</u>	<u>31,700,087</u>	<u>6,827,760</u>	<u>34,230,163</u>	<u>2,316,238</u>	<u>36,546,401</u>	<u>75,074,248</u>
Balance, net at June 30,2026	<u>\$ 30,745,916</u>	<u>687,099</u>	<u>31,433,015</u>	<u>6,827,747</u>	<u>34,295,896</u>	<u>2,316,122</u>	<u>36,612,018</u>	<u>74,872,780</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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Description	LRC			LIC under GMM and VFA	Present value of future cash flow	LIC under PAA		Total
	Excluding loss component	Loss component	Subtotal			Risk adjustment for non-financial risk	Subtotal	
Insurance contract assets as at January 1,2025	\$ (74,293)	4,984	(69,309)	(100)	21,651	2,754	24,405	(45,004)
Insurance contract liabilities as at January 1,2025	27,353,410	578,147	27,931,557	4,936,261	33,319,975	2,787,276	36,107,251	68,975,069
Balance, net at January 1,2025	27,279,117	583,131	27,862,248	4,936,161	33,341,626	2,790,030	36,131,656	68,930,065
Insurance revenue								
Contracts measured under the modified retrospective approach	(1,277,853)	-	(1,277,853)	-	-	-	-	(1,277,853)
other contracts	(33,925,593)	-	(33,925,593)	-	-	-	-	(33,925,593)
Total Insurance revenue	(35,203,446)	-	(35,203,446)	-	-	-	-	(35,203,446)
Insurance service expenses								
Incurred claims (excluding investment components) and other directly attributable expenses	-	(2,827)	(2,827)	616,069	17,506,340	830,371	18,336,711	18,949,953
Changes that relate to past service – changes in the FCF relating to the LIC	-	-	-	(116,879)	4,307,442	(429,692)	3,877,750	3,760,871
Changes that relate to future service – losses on onerous contracts and reversals of those losses	-	47,405	47,405	-	-	-	-	47,405
Insurance acquisition cash flows amortisation	6,771,571	-	6,771,571	-	-	-	-	6,771,571
Insurance service expenses	6,771,571	44,578	6,816,149	499,190	21,813,782	400,679	22,214,461	29,529,800
Insurance service result	(28,431,875)	44,578	(28,387,297)	499,190	21,813,782	400,679	22,214,461	(5,673,646)
Finance expenses from insurance contracts issued								
Interest rate	36,922	(546)	36,376	4,284	152,850	-	152,850	193,510
Finance expenses from insurance contracts issued	36,922	(546)	36,376	4,284	152,850	-	152,850	193,510
Foreign exchange gain/loss	3,252	-	3,252	-	(1,765)	-	(1,765)	1,487
Exchange differences resulting from translating the financial statements of a foreign operation	(96,201)	(10,018)	(106,219)	-	(205,838)	(13,732)	(219,570)	(325,789)
Total amounts recognised in comprehensive income	(28,487,902)	34,014	(28,453,888)	503,474	21,759,029	386,947	22,145,976	(5,804,438)
Investment components	(5,515)	-	(5,515)	-	5,515	-	5,515	-
Insurance acquisition cash flows asset and other pre-recognition cash flows derecognised and other changes	(45,592)	-	(45,592)	18,327	-	(8,502)	(8,502)	(35,767)
Cash flows								
Premiums received	36,377,669	-	36,377,669	-	-	-	-	36,377,669
Claims paid and Other directly attributable expenses paid	-	-	-	(887,216)	(18,651,196)	-	(18,651,196)	(19,538,412)
Insurance acquisition cash flows	(6,537,122)	-	(6,537,122)	-	-	-	-	(6,537,122)
Total cash flows	29,840,547	-	29,840,547	(887,216)	(18,651,196)	-	(18,651,196)	10,302,135
Insurance contract assets as at June 30,2025	(71,328)	13,591	(57,737)	(72)	14,835	2,124	16,959	(40,850)
Insurance contract liabilities as at June 30,2025	28,651,983	603,554	29,255,537	4,570,819	36,440,139	3,166,350	39,606,489	73,432,845
Balance, net at June 30,2025	<u>\$ 28,580,655</u>	<u>617,145</u>	<u>29,197,800</u>	<u>4,570,747</u>	<u>36,454,974</u>	<u>3,168,474</u>	<u>39,623,448</u>	<u>73,391,995</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(ii) Reconciliation of the measurement components of insurance contract balances (excluding PAA)

Description	CSM						
	Present value of future cash flow	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	other contracts	Subtotal	Total
Insurance contract assets as at January 1,2026	\$ (6)	(3)	-	-	-	-	(9)
Insurance contract liabilities as at January 1,2026	4,250,172	1,786,685	937,307	-	2,828,748	3,766,055	9,802,912
Balance, net at January 1,2026	4,250,166	1,786,682	937,307	-	2,828,748	3,766,055	9,802,903
Changes that relate to future service							
Changes in estimates that adjust the CSM	214,873	(20,619)	144,620	-	(338,874)	(194,254)	-
Changes in estimates that result in onerous contract losses or reversals of those losses	3,475	48	-	-	-	-	3,523
Contracts initially recognised in the period	(2,344,604)	567,434	-	-	1,777,170	1,777,170	-
Total changes that relate to future service	(2,126,256)	546,863	144,620	-	1,438,296	1,582,916	3,523
Changes that relate to current service							
CSM recognised for the services provided	-	-	(315,890)	-	(1,008,826)	(1,324,716)	(1,324,716)
Change in the risk adjustment for non-financial risk for the risk expired	-	(247,587)	-	-	-	-	(247,587)
Experience adjustments – relating to insurance service expenses	(552,243)	-	-	-	-	-	(552,243)
Total changes that relate to current service	(552,243)	(247,587)	(315,890)	-	(1,008,826)	(1,324,716)	(2,124,546)
Changes that relate to past service							
Changes that relate to past service – changes in the FCF relating to the LIC	863,635	48,324	-	-	-	-	911,959
Total changes that relate to past service	863,635	48,324	-	-	-	-	911,959
Finance income (expenses) from insurance contracts issued							
Interest rate	(9,894)	-	-	-	6,393	6,393	(3,501)
Total finance income (expenses) from insurance contracts issued	(9,894)	-	-	-	6,393	6,393	(3,501)
Total amounts recognised in comprehensive income	(1,824,758)	347,600	(171,270)	-	435,863	264,593	(1,212,565)
Other pre-recognition cash flows derecognised and other changes	-	-	-	-	7,428	7,428	7,428
Cash flows							
Premiums received	5,339,674	-	-	-	-	-	5,339,674
Claims and other directly attributable expenses paid	(842,817)	-	-	-	-	-	(842,817)
Insurance acquisition cash flows	(571,098)	-	-	-	-	-	(571,098)
Total cash flows	3,925,759	-	-	-	-	-	3,925,759
Insurance contract assets as at June 30,2026	(11)	1,720	25,327	-	6,511	31,838	33,547
Insurance contract liabilities as at June 30,2026	6,351,178	2,132,562	740,710	-	3,265,528	4,006,238	12,489,978
Balance, net at June 30,2026	\$ 6,351,167	2,134,282	766,037	-	3,272,039	4,038,076	12,523,525

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Description	Present value of future cash flow	Risk adjustment for non-financial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	other contracts	Subtotal	
Insurance contract assets as at January 1,2025	\$ (87)	(12)	-	-	-	-	(99)
Insurance contract liabilities as at January 1,2025	4,878,851	1,554,165	1,227,897	-	896,023	2,123,920	8,556,936
Balance,net at January 1,2025	4,878,764	1,554,153	1,227,897	-	896,023	2,123,920	8,556,837
Changes that relate to future service							
Changes in estimates that adjust the CSM	(703,929)	134,260	151,849	-	417,820	569,669	-
Changes in estimates that result in onerous contract losses or reversals of those losses	245	482	-	-	-	-	727
Contracts initially recognised in the period	(1,707,859)	666,593	-	-	1,041,266	1,041,266	-
Total changes that relate to future service	(2,411,543)	801,335	151,849	-	1,459,086	1,610,935	727
Changes that relate to current service							
CSM recognised for the services provided	-	-	(479,529)	-	(547,410)	(1,026,939)	(1,026,939)
Change in the risk adjustment for non-financial risk for the risk expired	-	(278,272)	-	-	-	-	(278,272)
Experience adjustments – relating to insurance service expenses	(747,580)	-	-	-	-	-	(747,580)
Total changes that relate to current service	(747,580)	(278,272)	(479,529)	-	(547,410)	(1,026,939)	(2,052,791)
Changes that relate to past service							
Changes that relate to past service – changes in the FCF relating to the LIC	(48,498)	(87,777)	-	-	-	-	(136,275)
Total changes that relate to past service	(48,498)	(87,777)	-	-	-	-	(136,275)
Finance income (expenses) from insurance contracts issued							
Interest rate	(11,062)	-	-	-	4,309	4,309	(6,753)
Total finance income (expenses) from insurance contracts issued	(11,062)	-	-	-	4,309	4,309	(6,753)
Total amounts recognised in comprehensive income	(3,218,683)	435,286	(327,680)	-	915,985	588,305	(2,195,092)
Other pre-recognition cash flows derecognised and other changes	-	18,327	-	-	13,154	13,154	31,481
Cash flows							
Premiums received	4,519,214	-	-	-	-	-	4,519,214
Claims and other directly attributable expenses paid	(887,216)	-	-	-	-	-	(887,216)
Insurance acquisition cash flows	(558,772)	-	-	-	-	-	(558,772)
Total cash flows	3,073,226	-	-	-	-	-	3,073,226
Insurance contract assets as at June 30,2025	(64)	(9)	-	-	-	-	(73)
Insurance contract liabilities as at June 30,2025	4,733,371	2,007,775	900,217	-	1,825,162	2,725,379	9,466,525
Balance, net at June 30,2025	\$ 4,733,307	2,007,766	900,217	-	1,825,162	2,725,379	9,466,452

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (iii) The impact of balance sheet from the groups of insurance contracts not measured under the premium allocation approach at initial recognition during the period

Items	For the six months ended June 30, 2026				Total
	Insurance contracts issued		Acquired in insurance contract transfers or business combinations		
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	
Estimates of the present value of future cash outflows					
Insurance acquisition cash flows	\$ 604,487	-	-	-	604,487
Claims and other directly attributable expenses	2,804,477	-	-	-	2,804,477
Subtotal	3,408,964	-	-	-	3,408,964
Estimates of the present value of future cash inflows	(5,753,568)	-	-	-	(5,753,568)
Risk adjustment for non-financial risk	567,434	-	-	-	567,434
Contractual service margin	1,777,170	-	-	-	1,777,170
Loss on initial recognition	\$ -	-	-	-	-
For the six months ended June 30, 2025					
	Insurance contracts issued		Acquired in insurance contract transfers or business combinations		Total
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	
Estimates of the present value of future cash outflows					
Insurance acquisition cash flows	\$ 676,830	-	-	-	676,830
Claims and other directly attributable expenses	2,362,152	-	-	-	2,362,152
Subtotal	3,038,982	-	-	-	3,038,982
Estimates of the present value of future cash inflows	(4,746,841)	-	-	-	(4,746,841)
Risk adjustment for non-financial risk	666,593	-	-	-	666,593
Contractual service margin	1,041,266	-	-	-	1,041,266
Loss on initial recognition	\$ -	-	-	-	-

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Reinsurance contracts

(i) Reconciliation of the liability for remaining coverage and the liability for incurred claims- reinsurance contract

Description	Remaining coverage			Incurred claims with GMM	Assets for incurred claims under PAA			Total
	Excluding loss-recovery component	Loss-recovery component	SubTotal		Present value of future cash flow	Risk adjustment for non-financial risk	Subtotal	
Reinsurance contract assets as at January 1, 2026	\$ 4,294,073	(46,188)	4,247,885	9,375,056	13,682,475	814,222	14,496,697	28,119,638
Reinsurance contract liabilities as at January 1, 2026	(490,615)	3,047	(487,568)	287,886	17,402	1,570	18,972	(180,710)
Balance, net at January 1, 2026	3,803,458	(43,141)	3,760,317	9,662,942	13,699,877	815,792	14,515,669	27,938,928
Reinsurance expenses	(10,538,156)	-	(10,538,156)	-	-	-	-	(10,538,156)
The amounts recovered from the reinsurer								
Incurred claims recovery	-	(103,376)	(103,376)	1,074,835	1,222,821	66,129	1,288,950	2,260,409
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	156,484	156,484	-	-	-	-	156,484
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	410,873	1,592,599	(286,039)	1,306,560	1,717,433
Total amounts recovered from the reinsurer	-	53,108	53,108	1,485,708	2,815,420	(219,910)	2,595,510	4,134,326
Effect of changes in the risk of reinsurers' non-performance	-	-	-	558	3,821	-	3,821	4,379
Net income (expenses) from reinsurance contracts held	(10,538,156)	53,108	(10,485,048)	1,486,266	2,819,241	(219,910)	2,599,331	(6,399,451)
Finance income (expenses) from reinsurance contracts held								
Interest rate	(41,638)	(3,389)	(45,027)	34,281	48,480	-	48,480	37,734
Total Finance income (expenses) from reinsurance contracts held	(41,638)	(3,389)	(45,027)	34,281	48,480	-	48,480	37,734
Foreign exchange gain/loss	507	-	507	-	146	-	146	653
Exchange differences resulting from translating the financial statements of a foreign operation	(6,121)	261	(5,860)	-	32,634	1,423	34,057	28,197
Total amounts recognised in comprehensive income	(10,585,408)	49,980	(10,535,428)	1,520,547	2,900,501	(218,487)	2,682,014	(6,332,867)
Investment components	(11,848)	-	(11,848)	422	11,426	-	11,426	-
Other pre-recognition cash flows derecognised and other changes	40,327	-	40,327	-	-	19,133	19,133	59,460
Cash flows								
Recoveries from reinsurance	-	-	-	(1,700,082)	(4,081,513)	-	(4,081,513)	(5,781,595)
Premiums paid net of ceding commissions and other directly attributable expenses paid	10,359,729	-	10,359,729	-	-	-	-	10,359,729
Total cash flows	10,359,729	-	10,359,729	(1,700,082)	(4,081,513)	-	(4,081,513)	4,578,134
Reinsurance contract assets as at June 30, 2026	4,141,509	6,543	4,148,052	9,257,112	12,666,043	619,754	13,285,797	26,690,961
Reinsurance contract liabilities as at June 30, 2026	(535,251)	296	(534,955)	226,717	(135,752)	(3,316)	(139,068)	(447,306)
Balance, net at June 30, 2026	\$ 3,606,258	6,839	3,613,097	9,483,829	12,530,291	616,438	13,146,729	26,243,655

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Description	Remaining coverage			Incurred claims with GMM	Assets for incurred claims under PAA			Total
	Excluding loss-recovery component	Loss-recovery component	SubTotal		Present value of future cash flow	Risk adjustment for non-financial risk	Subtotal	
Reinsurance contract assets as at January 1, 2025	\$ 3,261,522	(108,214)	3,153,308	17,636,286	8,875,765	571,950	9,447,715	30,237,309
Reinsurance contract liabilities as at January 1, 2025	(25,468)	298	(25,170)	192	(3,835)	(8)	(3,843)	(28,821)
Balance, net at January 1, 2025	3,236,054	(107,916)	3,128,138	17,636,478	8,871,930	571,942	9,443,872	30,208,488
Reinsurance expenses	(9,249,466)	-	(9,249,466)	-	-	-	-	(9,249,466)
The amounts recovered from the reinsurer								
Incurred claims recovery	-	(19,154)	(19,154)	161,733	1,136,383	109,824	1,246,207	1,388,786
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	199,772	199,772	-	-	-	-	199,772
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	129,547	5,424,424	543,082	5,967,506	6,097,053
Total amounts recovered from the reinsurer	-	180,618	180,618	291,280	6,560,807	652,906	7,213,713	7,685,611
Effect of changes in the risk of reinsurers' non-performance	-	-	-	(536,920)	(4,986)	-	(4,986)	(541,906)
Net income (expenses) from reinsurance contracts held	(9,249,466)	180,618	(9,068,848)	(245,640)	6,555,821	652,906	7,208,727	(2,105,761)
Finance income (expenses) from reinsurance contracts held								
Interest rate	(26,511)	449	(26,062)	47,911	31,325	-	31,325	53,174
Finance income from reinsurance contracts held	(26,511)	449	(26,062)	47,911	31,325	-	31,325	53,174
Foreign exchange gain/loss	104	-	104	-	(376)	-	(376)	(272)
Exchange differences resulting from translating the financial statements of a foreign operation	9,451	(826)	8,625	-	(108,178)	(9,084)	(117,262)	(108,637)
Total amounts recognised in comprehensive income	(9,266,422)	180,241	(9,086,181)	(197,729)	6,478,592	643,822	7,122,414	(2,161,496)
Investment components	(12,323)	-	(12,323)	808	11,515	-	11,515	-
Other pre-recognition cash flows derecognised and other changes	43,205	-	43,205	(73,388)	20,055	(25,640)	(5,585)	(35,768)
Cash flows								
Recoveries from reinsurance	-	-	-	(3,610,078)	(2,234,962)	-	(2,234,962)	(5,845,040)
Premiums paid net of ceding commissions and other directly attributable expenses paid	9,622,831	-	9,622,831	-	-	-	-	9,622,831
Total cash flows	9,622,831	-	9,622,831	(3,610,078)	(2,234,962)	-	(2,234,962)	3,777,791
Reinsurance contract assets as at June 30, 2025	3,760,831	71,280	3,832,111	13,755,899	13,232,924	1,188,783	14,421,707	32,009,717
Reinsurance contract liabilities as at June 30, 2025	(137,486)	1,045	(136,441)	192	(85,794)	1,341	(84,453)	(220,702)
Balance, net at June 30, 2025	\$ 3,623,345	72,325	3,695,670	13,756,091	13,147,130	1,190,124	14,337,254	31,789,015

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Reconciliation of the measurement components of reinsurance contract balances (excluding PAA)

Description	Present value of future cash flow	Risk adjustment for non-financial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	other contracts	Subtotal	
Reinsurance contract assets as at January 1, 2026	\$ 6,434,367	1,723,602	1,313,222	-	2,836,296	4,149,518	12,307,487
Reinsurance contract liabilities as at January 1, 2026	(394,942)	88,299	(1,180)	-	163,819	162,639	(144,004)
Balance, net at January 1, 2026	<u>6,039,425</u>	<u>1,811,901</u>	<u>1,312,042</u>	<u>-</u>	<u>3,000,115</u>	<u>4,312,157</u>	<u>12,163,483</u>
Changes that relate to future service							
Changes in estimates that adjust the CSM	(629,805)	(49,379)	212,471	-	466,713	679,184	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	274	-	(28,425)	(28,151)	(28,151)
Contracts initially recognised in the period	(3,247,501)	740,630	-	-	2,600,545	2,600,545	93,674
Total changes that relate to future service	<u>(3,877,306)</u>	<u>691,251</u>	<u>212,745</u>	<u>-</u>	<u>3,038,833</u>	<u>3,251,578</u>	<u>65,523</u>
Changes that relate to current service							
CSM recognised for the services received	-	-	(325,122)	-	(1,626,243)	(1,951,365)	(1,951,365)
Change in the risk adjustment for non-financial risk for the risk expired	-	(227,436)	-	-	-	-	(227,436)
Experience adjustments – relating to incurred claims and other directly attributable expenses recovery	(723,254)	-	(55)	-	(103,321)	(103,376)	(826,630)
Total changes that relate to current service	<u>(723,254)</u>	<u>(227,436)</u>	<u>(325,177)</u>	<u>-</u>	<u>(1,729,564)</u>	<u>(2,054,741)</u>	<u>(3,005,431)</u>
Changes that relate to past service							
Changes in the FCF relating to incurred claims recovery	473,880	(60,033)	-	-	-	-	413,847
Total changes that relate to past service	<u>473,880</u>	<u>(60,033)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>413,847</u>
Effect of changes in the risk of reinsurers non-performance	<u>558</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558</u>
Net income (expenses) from reinsurance contracts held	<u>(4,126,122)</u>	<u>403,782</u>	<u>(112,432)</u>	<u>-</u>	<u>1,309,269</u>	<u>1,196,837</u>	<u>(2,525,503)</u>
Finance income (expenses) from reinsurance contracts held							
Interest rate	(27,455)	-	-	-	5,435	5,435	(22,020)
Total Finance income (expenses) from reinsurance contracts held	<u>(27,455)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,435</u>	<u>5,435</u>	<u>(22,020)</u>
Other pre-recognition cash flows derecognised and other changes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,429</u>	<u>7,429</u>	<u>7,429</u>
Cash flows							
Recoveries from reinsurance	(1,700,082)	-	-	-	-	-	(1,700,082)
Premiums paid net of ceding commissions and other directly attributable expenses paid	4,245,654	-	-	-	-	-	4,245,654
Total cash flows	<u>2,545,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,545,572</u>
Reinsurance contract assets as at June 30, 2026	<u>4,843,290</u>	<u>2,127,110</u>	<u>1,199,610</u>	<u>-</u>	<u>4,068,681</u>	<u>5,268,291</u>	<u>12,238,691</u>
Reinsurance contract liabilities as at June 30, 2026	<u>(411,870)</u>	<u>88,573</u>	<u>-</u>	<u>-</u>	<u>253,567</u>	<u>253,567</u>	<u>(69,730)</u>
Balance, net at June 30, 2026	<u>\$ 4,431,420</u>	<u>2,215,683</u>	<u>1,199,610</u>	<u>-</u>	<u>4,322,248</u>	<u>5,521,858</u>	<u>12,168,961</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Description	CSM						Total
	Present value of future cash flow	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	other contracts	Subtotal	
Reinsurance contract assets as at January 1, 2025	\$ 13,964,475	2,373,922	1,633,556	-	1,069,879	2,703,435	19,041,832
Reinsurance contract liabilities as at January 1, 2025	(16,259)	1,400	2,700	-	-	2,700	(12,159)
Balance, net at January 1, 2025	13,948,216	2,375,322	1,636,256	-	1,069,879	2,706,135	19,029,673
Changes that relate to future service							
Changes in estimates that adjust the CSM	(967,983)	(135,136)	368,228	-	734,891	1,103,119	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	2,968	-	19,256	22,224	22,224
Contracts initially recognised in the period	(2,889,206)	1,045,936	-	-	2,056,716	2,056,716	213,446
Total changes that relate to future service	(3,857,189)	910,800	371,196	-	2,810,863	3,182,059	235,670
Changes that relate to current service							
CSM recognised for the services received	-	-	(602,425)	-	(1,068,824)	(1,671,249)	(1,671,249)
Change in the risk adjustment for non-financial risk for the risk expired	-	(354,067)	-	-	-	-	(354,067)
Experience adjustments – relating to incurred claims and other directly attributable expenses recovery	(1,203,577)	-	17,807	-	(36,960)	(19,153)	(1,222,730)
Total changes that relate to current service	(1,203,577)	(354,067)	(584,618)	-	(1,105,784)	(1,690,402)	(3,248,046)
Changes that relate to past service							
Changes in the FCF relating to incurred claims recovery	484,265	(298,527)	-	-	-	-	185,738
Total changes that relate to past service	484,265	(298,527)	-	-	-	-	185,738
Effect of changes in the risk of reinsurers non-performance	(536,920)	-	-	-	-	-	(536,920)
Net income (expenses) from reinsurance contracts held	(5,113,421)	258,206	(213,422)	-	1,705,079	1,491,657	(3,363,558)
Finance income (expenses) from reinsurance contracts held							
Interest rate	(1,293)	-	182	-	7,451	7,633	6,340
Finance income (expenses) from reinsurance contracts held	(1,293)	-	182	-	7,451	7,633	6,340
Other pre-recognition cash flows derecognised and other changes	-	(73,388)	-	-	43,205	43,205	(30,183)
Cash flows							
Recoveries from reinsurance	(3,610,077)	-	-	-	-	-	(3,610,077)
Premiums paid net of ceding commissions and other directly attributable expenses paid	3,590,639	-	-	-	-	-	3,590,639
Total cash flows	(19,438)	-	-	-	-	-	(19,438)
Reinsurance contract assets as at June 30, 2025	8,822,372	2,560,140	1,423,016	-	2,825,539	4,248,555	15,631,067
Reinsurance contract liabilities as at June 30, 2025	(8,308)	-	-	-	75	75	(8,233)
Balance, net at June 30, 2025	\$ 8,814,064	2,560,140	1,423,016	-	2,825,614	4,248,630	15,622,834

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (iii) The impact of the groups of reinsurance contracts held not measured under the premium allocation approach at initial recognition during the period

For the six months ended June 30, 2026			
	Reinsurance contracts held	Acquired in the transfer of reinsurance contracts or business combination	Total
Estimates of the present value of future cash outflows	\$ (7,001,904)	-	(7,001,904)
Estimates of the present value of future cash inflows	3,754,403	-	3,754,403
Risk adjustment for non-financial risk	740,630	-	740,630
Contractual service margin	2,600,545	-	2,600,545
Impact of contracts initially recognized during the period	<u>\$ 93,674</u>	<u>-</u>	<u>93,674</u>
For the six months ended June 30, 2025			
	Reinsurance contracts held	Acquired in the transfer of reinsurance contracts or business combination	Total
Estimates of the present value of future cash outflows	\$ (6,669,636)	-	(6,669,636)
Estimates of the present value of future cash inflows	3,780,430	-	3,780,430
Risk adjustment for non-financial risk	1,045,936	-	1,045,936
Contractual service margin	2,056,716	-	2,056,716
Impact of contracts initially recognized during the period	<u>\$ 213,446</u>	<u>-</u>	<u>213,446</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) Significant accounting judgments and estimates applied in measuring insurance and reinsurance contract assets and liabilities

(i) Fulfilment cash flows

1) Estimates of future cash flows

The Group estimates future cash flows using the expected value approach, determined as the probability-weighted average of all possible outcomes. The Group incorporates all reasonable and supportable information, including both internal and external information, in an unbiased and objective manner. Historical data relating to claims payments and other relevant experience is updated to reflect current expectations of future events.

The Group estimates future cash flows to reflect its view of conditions existing at the reporting date and assumptions regarding relevant market variables that are consistent with observable market prices. The Group also considers current expectations of future events that may affect cash flows. However, expectations regarding future changes in legislation that would alter or extinguish existing obligations or create new obligations under existing contracts are not considered until such changes are substantively enacted.

Cash flows are considered to be within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period. Such cash flows are directly attributable to the fulfilment of the contract and include amounts for which The Group has discretion over the amount or timing, including amounts paid to policyholders (or on their behalf), insurance acquisition cash flows, and other costs incurred to fulfil the contract.

Insurance acquisition cash flows arise from activities related to selling, underwriting and initiating a group of insurance contracts and are directly attributable to the portfolio to which the contracts belong. Other costs incurred to fulfil the contracts include claims handling costs, maintenance and administration expenses, and recurring commissions on instalment premiums receivable within the contract boundary.

Insurance acquisition cash flows and other costs incurred to fulfil contracts include both directly attributable costs and allocations of fixed and variable indirect overheads.

2) Risk Adjustment for Non-financial Risk

The Group adjusts estimates of the present value of future cash flows to reflect the uncertainty in the amount and timing of cash flows arising from non-financial risks. The Group estimates the risk adjustment for non-financial risk using the confidence level technique (75%). Changes in the risk adjustment are not disaggregated between insurance service result and insurance finance income or expenses; instead, the entire change is included as part of the insurance service result.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Discount rates

In measuring insurance contract liabilities, the Group discounts estimated future cash flows using current discount rates that reflect the time value of money and the financial risks associated with those cash flows.

Discount rates are constructed using a bottom-up approach, using risk-free interest rates with the addition of liquidity premiums. The risk-free yield curve is determined using the Three Segment Approach ("TSA"), under which the second segment is extrapolated using the Smith-Wilson method. The liquidity premium is based on the General Bucket liquidity premium published by the Taiwan Insurance Institute.

For cash flows that do not vary based on the returns on underlying items, the discount rate curves principally used by the Company are presented below:

		June 30, 2026				
		1 Year	2~5 Years	6~10 Years	11~15 Years	16~25 Years
The Company						
	TWD	1.750%	1.788~1.871%	1.883~1.920%	1.960~2.245%	2.323~2.854%
Subsidiary						
	CNY	1.120%	1.44%	1.76%	2.30%	2.31%
		December 31, 2025				
		1 Year	2~5 Years	6~10 Years	11~15 Years	16~25 Years
The Company						
	TWD	1.432%	1.455~1.513%	1.526~1.573%	1.618~1.945%	2.035~2.644%
Subsidiary						
	CNY	1.340%	1.361~1.638%	1.704~1.872%	1.924~2.201%	2.257~2.33%
		June 30, 2025				
		1 Year	2~5 Years	6~10 Years	11~15 Years	16~25 Years
The Company						
	TWD	1.540%	1.573~1.693%	1.701~1.729%	1.766~2.064%	2.148~2.724%
Subsidiary						
	CNY	1.340%	1.364~1.516%	1.572~1.661%	1.681~1.825%	1.859~1.939%

(ii) Contractual service margin

The contractual service margin recognized in profit or loss for each group of contracts reflects the services provided in the period, measured based on coverage units. The Group reviews and updates the quantity of coverage units provided in the current period and expected to be provided in future periods at each reporting date. The contractual service margin is then allocated equally to each coverage unit provided in the current period and expected to be provided in the future. The amount allocated to the coverage units provided in the current period is recognized in profit or loss.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Investment components

Investment components are identified as amounts that are required to be repaid to policyholders in all circumstances, including upon the occurrence of an insured event, maturity, or termination. Investment components are excluded from insurance revenue and insurance service expenses. The Group has investment components primarily in long-term fire insurance with return of premium under direct business. Reinsurance ceded business with investment components includes private passenger automobile property damage insurance, private passenger automobile liability insurance, other property insurance, and accident insurance.

(iv) Coverage Units

The quantity of coverage units represents the quantity of insurance contract services provided by a group of insurance contracts and is determined based on the quantity of contractual benefits provided under each contract and its expected coverage period. The Group determines the quantity of coverage units provided under each insurance contract as follows:

- For insurance contracts that specify a sum insured per insured event, the sum insured per insured event is used as the coverage unit.
- For insurance contracts that do not specify a sum insured per insured event, the sum insured applicable during the coverage period is used as the coverage unit.
- If the sum insured is not available, premiums are used as the coverage unit.
- If an insurance contract provides multiple insurance benefits, the coverage unit for the contract is determined as the aggregate of the coverage units of the respective insurance benefits.
- For proportional reinsurance contracts, if the reinsurance contract does not specify a sum insured (or maximum liability limit), the coverage units are determined by multiplying the coverage units of the underlying contracts by the reinsurance cession percentage. If the reinsurance contract specifies a sum insured (or maximum liability limit), the sum insured (or maximum liability limit) is used as the coverage unit.
- For non-proportional reinsurance contracts, the sum insured or limit of liability is used as the coverage unit. If the reinsurance contract contains a reinstatement provision, the coverage units are determined as the sum insured or limit of liability multiplied by (1 + the expected number of reinstatements).
- As a general principle, the same basis is applied to determine coverage units for contracts within the same group.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Transition approach

The Group adopted IFRS 17 Insurance Contracts effective January 1, 2026. When the full retrospective approach is impracticable, alternative transition approaches are applied. The Group applies the full retrospective approach to insurance portfolios issued after 2024. For long-term fire insurance, fire insurance with return of premium features, and groups for which a liability for remaining coverage or asset for remaining coverage existed at the transition date and that were issued on or before 2018, the simplified modified retrospective approach is elected. The modified retrospective approach is applied to all remaining groups.

The professional judgments applied in the above assessment process affect the recognition of revenue and the measurement of insurance contract assets and liabilities and reinsurance contract assets and liabilities in the consolidated financial statements.

(j) Property, plant and equipment

	Land	Buildings and constructions	Machinery and computer equipment	Other equipment	Prepayment for purchases of equipment, and construction in progress	Leasehold improvements	Total
Cost or deemed cost							
Balance, January 1, 2026	\$ 4,958,069	1,394,794	1,206,008	226,619	1,982,551	279,374	10,047,415
Purchase	-	1,173	81,791	4,010	356,775	331	444,080
Transferred from investment property	6,497	2,803	-	-	-	-	9,300
Transferred from prepayment for purchases of equipment, and construction in progress	-	-	3,546	-	-	-	3,546
Transferred to investment property	-	(676)	-	-	-	-	(676)
Disposal	-	-	(1,002)	(5,448)	-	(126)	(6,576)
Reclassified to machinery and computer equipment	-	-	-	-	(3,546)	-	(3,546)
Reclassified	-	-	-	(49)	1,259	-	1,210
Effect of changes in foreign exchange rates	-	16,171	3,571	2,030	57	2,302	24,131
Balance, June 30, 2026	<u>\$ 4,964,566</u>	<u>1,414,265</u>	<u>1,293,914</u>	<u>227,162</u>	<u>2,337,096</u>	<u>281,881</u>	<u>10,518,884</u>
Balance, January 1, 2025	\$ 4,958,933	1,393,771	1,097,201	231,048	1,194,474	277,984	9,153,411
Purchase	-	8,730	26,047	2,815	432,043	2,899	472,534
Transferred from prepayment for purchases of equipment, and construction in progress	-	-	3,756	-	-	3,115	6,871
Transferred to investment property	-	(6,998)	-	-	-	-	(6,998)
Transferred to assets held for sale	(864)	(7,816)	-	-	-	-	(8,680)
Disposal	-	-	(2,143)	(4,337)	-	(2,580)	(9,060)
Reclassified to leasehold improvements	-	-	-	-	(3,115)	-	(3,115)
Reclassified to machinery and computer equipment	-	-	-	-	(3,756)	-	(3,756)
Reclassification	-	-	-	-	1,441	-	1,441
Effect of changes in foreign exchange rates	-	(26,718)	(5,668)	(6,211)	-	(5,287)	(43,884)
Balance, June 30, 2025	<u>\$ 4,958,069</u>	<u>1,360,969</u>	<u>1,119,193</u>	<u>223,315</u>	<u>1,621,087</u>	<u>276,131</u>	<u>9,558,764</u>
Depreciation and impairment loss							
Balance, January 1, 2026	\$ -	626,517	983,509	202,338	-	235,047	2,047,411
Depreciation for the year	-	15,946	46,070	4,479	-	10,984	77,479
Disposal	-	-	(935)	(5,139)	-	(126)	(6,200)
Reclassified	-	-	-	(29)	-	-	(29)
Effect of changes in foreign exchange rates	-	2,707	2,907	1,825	-	2,263	9,702
Balance, June 30, 2026	<u>\$ -</u>	<u>645,170</u>	<u>1,031,551</u>	<u>203,474</u>	<u>-</u>	<u>248,168</u>	<u>2,128,363</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

					Prepayment for purchases of equipment, and construction in progress	Leasehold improvements	Total
	Land	Buildings and constructions	Machinery and computer equipment	Other equipment			
Balance, January 1, 2025	\$ -	599,047	903,630	200,870	-	216,393	1,919,940
Depreciation for the year	-	16,237	39,842	5,268	-	12,088	73,435
Transferred to leasehold improvements	-	(5,689)	-	-	-	-	(5,689)
Disposal	-	-	(1,932)	(3,853)	-	(2,541)	(8,326)
Effect of changes in foreign exchange rates	-	(4,210)	(4,523)	(5,603)	-	(4,849)	(19,185)
Balance, June 30, 2025	<u>\$ -</u>	<u>605,385</u>	<u>937,017</u>	<u>196,682</u>	<u>-</u>	<u>221,091</u>	<u>1,960,175</u>
Carrying amount:							
Balance, January 1, 2026	<u>\$ 4,958,069</u>	<u>768,277</u>	<u>222,499</u>	<u>24,281</u>	<u>1,982,551</u>	<u>44,327</u>	<u>8,000,004</u>
Balance, June 30, 2026	<u>\$ 4,964,566</u>	<u>769,095</u>	<u>262,363</u>	<u>23,688</u>	<u>2,337,096</u>	<u>33,713</u>	<u>8,390,521</u>
Balance, January 1, 2025	<u>\$ 4,958,933</u>	<u>794,724</u>	<u>193,571</u>	<u>30,178</u>	<u>1,194,474</u>	<u>61,591</u>	<u>7,233,471</u>
Balance, June 30, 2025	<u>\$ 4,958,069</u>	<u>755,584</u>	<u>182,176</u>	<u>26,633</u>	<u>1,621,087</u>	<u>55,040</u>	<u>7,598,589</u>

The Group elected to use the previous GAAP revaluation as deemed cost at the date of transition to IFRSs as endorsed by the FSC. when adopting IFRSs endorsed by FSC. As of June 30, 2026, December 31 and June 30, 2025, the revaluation increment which is included in the cost amounted to \$630,021 thousand on all dates.

As of June 30, 2026, December 31 and June 30, 2025, some property, plant and equipment had been pledged as collateral; please refer to Note 8.

The Group has started construction of office buildings and costs incurred up to June 30, 2026 totaled \$2,313,157 thousand.

(k) Intangible assets

	Computer software
Costs:	
Balance, January 1, 2026	\$ 1,626,159
Purchase	23,779
Disposal	(30,900)
Reclassification	49
Effect of changes in foreign exchange rates	7,116
Balance, June 30, 2026	<u>\$ 1,626,203</u>
Balance, January 1, 2025	\$ 1,434,524
Purchase	71,719
Disposal	(179)
Effect of changes in foreign exchange rates	(14,943)
Balance, June 30, 2025	<u>\$ 1,491,121</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Computer software
Accumulated amortization and impairment losses:	
Balance, January 1, 2026	\$ 1,329,993
Amortization for the year	68,649
Disposal	(30,900)
Reclassification	29
Effect of changes in foreign exchange rates	4,412
Balance, June 30, 2026	<u><u>\$ 1,372,183</u></u>
Balance, January 1, 2025	\$ 1,195,573
Amortization for the year	67,811
Disposal	(179)
Effect of changes in foreign exchange rates	(10,466)
Balance, June 30, 2025	<u><u>\$ 1,252,739</u></u>
Carrying amount:	
Balance, January 1, 2026	<u><u>\$ 296,166</u></u>
Balance, June 30, 2026	<u><u>\$ 254,020</u></u>
Balance, January 1, 2025	<u><u>\$ 238,951</u></u>
Balance, June 30, 2025	<u><u>\$ 238,382</u></u>

(l) Short-term borrowings

	June 30, 2025
Unsecured and secured bank loans	<u><u>\$ -</u></u>
Unused short-term credit lines	<u><u>\$ 2,950,000</u></u>
Range of interest rates	<u><u>-</u></u>

(i) Collateral for bank loans

For the collateral for short-term borrowings, please refer to Note 8.

(m) Provisions

	June 30, 2026	December 31, 2025	June 30, 2025
Decommissioning liabilities	\$ 10,254	10,214	10,174
Employee benefit liabilities	570,086	539,225	631,645
	<u><u>\$ 580,340</u></u>	<u><u>549,439</u></u>	<u><u>641,819</u></u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Decommissioning liabilities

	For the six months ended June 30,	
	2026	2025
Beginning balance	\$ 10,214	10,135
Unwinding of discount	40	39
Ending balance	<u><u>\$ 10,254</u></u>	<u><u>10,174</u></u>

(ii) Employee benefit

1) Defined benefit plans

Because no significant market fluctuations, curtailments, settlements or other material events occurred, the Group uses December 31, 2025 and 2024 actuarially determined pension cost to measure and disclose pension cost for an interim period.

The expenses recognized in profit or loss for the three months and six months ended June 30, 2026 and 2025 are amounted to \$6,290 thousand, \$9,322 thousand, \$19,993 thousand and \$20,126 thousand, respectively.

2) Defined contribution plan

The Group allocates 6% of each employee's monthly wages to the personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance and labor management agency regulated by the local authority of the subsidiary amounted to \$28,639 thousand, \$27,682 thousand, \$55,782 thousand and \$54,361 thousand for the three months and six months ended June 30, 2026 and 2025 ,respectively.

(n) Other liabilities-special reserve

1) Special reserve – compulsory automobile liability insurance

Item	For the six months ended June 30,	
	2026	2025
Beginning balance	\$ 404,429	120,098
Provision	66,320	88,035
Recovery	(34,728)	-
Ending balance	<u><u>\$ 436,021</u></u>	<u><u>208,133</u></u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Special reserve for insurance other than compulsory automobile liability insurance

For the six months ended June 30, 2026							
Item	Liabilities			Special reserve			
	Catastrophe	Fluctuation risk reserve	Total	Catastrophe	Fluctuation risk reserve	Travel-safety insurance	Total
Beginning	\$ 314,980	466,330	781,310	1,482,277	9,584,337	182,205	11,248,819
Provision	1,311,249	3,807,699	5,118,948	-	-	-	-
Ending balance	<u>\$ 1,626,229</u>	<u>4,274,029</u>	<u>5,900,258</u>	<u>1,482,277</u>	<u>9,584,337</u>	<u>182,205</u>	<u>11,248,819</u>

For the six months ended June 30, 2025							
Item	Liabilities			Special reserve			
	Catastrophe	Fluctuation risk reserve	Total	Catastrophe	Fluctuation risk reserve	Travel-safety insurance	Total
Beginning balance(equal ending balance)	<u>\$ 314,980</u>	<u>466,330</u>	<u>781,310</u>	<u>956,642</u>	<u>8,785,535</u>	<u>115,373</u>	<u>9,857,550</u>

The Group recorded an increase in retained earnings upon the initial adoption of IFRS 17 on January 1, 2026. In accordance with FSC Order No. Jin-Guan-Bao-Cai 11504111391, "Guidelines for Strengthening Catastrophe Reserves of Property Insurance Enterprises," the transfer amount was calculated based on the increase in retained earnings arising from the adoption of IFRS 17. The calculated amount was transferred from retained earnings to the special reserve for major accidents and fluctuation of risks under liabilities.

Note: The special reserve above covers all the insurances except for the special reserve for compulsory automobile liability insurance, which was recognized before January 1, 2011.

- 3) The special reserve for nuclear insurance was provided based on the Regulations for the Reserve of Nuclear Insurance.
- 4) Resident earthquake insurance was based on the Regulations for Danger Diversified Mechanism for Resident Earthquake Insurance.
- 5) Travel-safety insurance was based on Jin-Guan-Bao-Cai-Zi No.10904939031.

(o) Lease liabilities

The future minimum lease payments of the Group's lease liabilities were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Less than one year	\$ 130,212	212,263	240,200
Between one and five years	99,069	129,522	183,711
	<u>\$ 229,281</u>	<u>341,785</u>	<u>423,911</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the three months and six months ended June 30, 2026 and 2025, The Group recognized additions to lease liabilities of \$4,988 thousand, \$64,198 thousand, \$15,713 thousand and \$75,412 thousand, the applicable interest-rate ranges were 1.11%~6.75% and 1.11%~7.00%, respectively. The lease liabilities are due from December 31, 2027 to May 31, 2031 and from December 31, 2026 to May 31, 2030.

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Interest on lease liabilities	\$ <u>2,312</u>	<u>3,985</u>	<u>5,165</u>	<u>8,090</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>9,800</u>	<u>6,655</u>	<u>18,028</u>	<u>16,807</u>
Expenses relating to short-term leases	\$ <u>2,912</u>	<u>5,969</u>	<u>5,886</u>	<u>12,411</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>15,494</u>	<u>12,221</u>	<u>29,805</u>	<u>24,581</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Total cash outflow for leases	\$ <u>93,451</u>	<u>89,346</u>	<u>183,536</u>	<u>181,296</u>

(i) Real estate leases

The Group leases buildings for its office space. The leases of office space typically run for a period of 1 to 10 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases vehicles and equipment, with lease terms of 2 to 8 years.

In addition, the Group has elected not to recognize right-of-use assets and lease liabilities for short term leases or leases of low-value items.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Operating leases

(i) Leases as lessor

The Group leases out its investment property. The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(f).

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Less than one year	\$ 271,037	299,947	302,807
One to two years	148,965	178,062	216,096
Two to three years	57,658	55,635	104,860
Three to four years	27,538	30,130	30,085
Four to five years	14,922	16,546	19,961
More than five years	32,730	35,797	23,635
	<u><u>\$ 552,850</u></u>	<u><u>616,117</u></u>	<u><u>697,444</u></u>

(q) Capital and other equity

(i) Share capital

As of June 30, 2026, December 31 and June 30, 2025, the Company's authorized capital amount are all \$30,000,000 thousand, and the face value of each share is \$10, total shares outstanding amounted to all 3,000,000 thousand shares. The paid-in capitals were amounted to \$3,000,000 thousand respectively.

(ii) Capital surplus

The details of this account were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Additional paid-in capital	\$ <u><u>1,192,720</u></u>	<u><u>1,192,720</u></u>	<u><u>1,192,720</u></u>

According to Company Act, capital surplus should be offset a deficit when legal reserve is not sufficient to offset losses, and then be capitalized or issuing cash dividends. According to "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the amount of additional paid-in capital to be used to increase capital shall not exceed 10% of total paid-in capital.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Retained earnings

1) Legal reserve

The Company's Articles of Incorporation requires that 20% of the annual income after tax shall be provided as legal reserve until it is equal to the paid in capital. The Company is able to issue new stock or cash dividend from legal reserve if there is no deficit as long as the legal reserve is over 25% of the paid in capital.

2) Special reserve

Under the Company's Articles of Incorporation, a special reserve equal to current year shareholders' equity contra account, is provided from current year's net income and prior years' inappropriate retained earnings. If a reversal of shareholders' equity contra account occurs, the reversed portion of the special reserve could be distributed as dividends.

3) Undistributed retained earnings appropriated

Under the Company's Articles of Incorporation, the Company's net income after deduction of income tax and losses (if any), should provide 20% as legal reserve, and then the remaining sum shall be used to provide special reserve according to Insurance Act and regulations of various reserve provision and the special reserve shall be written off or recovered per relevant rules. The remaining balance may be distributed as dividend according to the resolution of the shareholders' meeting.

The relevant information about the employee bonuses remuneration paid to directors and supervisors, which were approved by the board of directors and under the consent of the shareholders' meeting, can be obtained on the website of Market Observation Post System.

The 2025 and 2024 earnings distributions have proposed during the board meetings hold on March 11, 2026 and March 12, 2025, respectively. And they have been approved for distribution during the board meeting held on April 15, 2026 and April 30, 2025, respectively, as follow:

	For the years ended December 31,	
	2025	2024
Dividends distributed to ordinary shareholders		
Cash	\$ 4,084,073	890,358

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Other equity items

The movements in other equity items were as follows:

	Exchange difference on translation of foreign financial statements	Gain or loss on financial assets measured at fair value through other comprehensive income	Revaluation increment	Equity related to assets (or disposal groups) classified as held for sale	Total
Balance at January 1, 2026	\$ (99,410)	(213,576)	125,263	132,576	(55,147)
Adjustments arising from retrospective application and retrospective restatement	-	1,335,240	-	-	1,335,240
Balance at January 1, 2026 after adjustments	(99,410)	1,121,664	125,263	132,576	1,280,093
Foreign exchange differences (after-tax-amount)	28,474	-	-	-	28,474
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	-	3,496	-	-	3,496
Gains or losses on financial assets measured at fair value through other comprehensive income	-	7,158,459	-	-	7,158,459
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(1,832,185)	-	-	(1,832,185)
Balance at June 30, 2026	<u>\$ (70,936)</u>	<u>6,451,434</u>	<u>125,263</u>	<u>132,576</u>	<u>6,638,337</u>

	Exchange difference on translation of foreign financial statements	Gain or loss on financial assets measured at fair value through other comprehensive income	Revaluation increment	Equity related to assets (or disposal groups) classified as held for sale	Other comprehensive income on reclassification under the overlay approach	Total
Balance at January 1, 2025	\$ (62,013)	(429,610)	257,839	(322)	564,003	329,897
Adjustments arising from retrospective application and retrospective restatement	-	-	-	-	(564,003)	(564,003)
Balance at January 1, 2025 after adjustments	(62,013)	(429,610)	257,839	(322)	-	(234,106)
Foreign exchange differences (after-tax-amount)	(119,161)	-	-	322	-	(118,839)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	-	(114)	-	-	-	(114)
Gains or losses on financial assets measured at fair value through other comprehensive income	-	(65,560)	-	-	-	(65,560)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	9,076	-	-	-	9,076
Reclassified to equity directly associated with assets held for sale	-	-	(132,576)	132,576	-	-
Balance at June 30, 2025	<u>\$ (181,174)</u>	<u>(486,208)</u>	<u>125,263</u>	<u>132,576</u>	<u>-</u>	<u>(409,543)</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Employee compensation

Under the Company's Articles of Incorporation, if the Company profits, 0.1% to 5.0% of the Company's profit shall be distributed as employees' compensation. However, the company's accumulated losses shall have been covered. Qualification requirements of employees entitled to receive cash including the employees of subsidiaries of the company should meet certain specific requirements set by the board of directors.

The Company estimates its employee remuneration to be \$16,557 thousand, \$7,886 thousand, \$31,669 thousand and \$17,197 thousand for the three months and six months ended June 30, 2026 and 2025, respectively. The estimation of employee remuneration is based on the net income before tax, before deducting the employee remuneration, multiply the ratio specified in the Articles of Incorporation, and recognized as operating expenses. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

The employee remuneration of \$40,924 thousand accrued by the Company for the year ended December 31, 2025 was consistent with the amount approved for distribution. The related information will be disclosed on Market Observation Post System website.

(s) Income tax

(i) The components of the Group's income tax expense (income) were listed below:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Current income tax expense				
Current period	\$ 615,623	(1,069,437)	1,017,780	(875,760)
Adjustment for prior periods	(31,524)	7,478	(31,524)	7,478
Other	858	-	858	-
	<u>584,957</u>	<u>(1,061,959)</u>	<u>987,114</u>	<u>(868,282)</u>
Deferred income tax expenses				
Origination and reversal of temporary differences	1,005,462	1,355,130	1,658,506	1,640,595
Impact resulting from the consolidated tax regime	(948,572)	-	(1,579,520)	-
Income tax expense (income)	<u>\$ 641,847</u>	<u>293,171</u>	<u>1,066,100</u>	<u>772,313</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The details of income tax expense (income) recognized under other comprehensive income for the three months and six months ended June 30, 2026 and 2025 were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on \$ translation of foreign financial statements	748	(33,262)	7,118	(29,710)
Gains (losses) from investments in debt instruments at fair value through other comprehensive income	407	26,756	(14,044)	43,603
	<u>\$ 1,155</u>	<u>(6,506)</u>	<u>(6,926)</u>	<u>13,893</u>

- (iii) The Company, its parent company and the parent company's major subsidiaries have filed consolidated income tax returns since 2002.
- (iv) In regard to all taxes filed for the year of assessment but pending for verification, the Group assesses correlation factors which include relevant regulations, past experience and determined that sufficient income tax liability is reliably estimated.
- (v) The Company's tax returns for the year 2018 were assessed by the tax authorities. The Company had applied administrative remedies for the items that the tax authorities required to adjust for the year 2017 and 2018, and the amount of additional tax levied had entried the related.

(t) Earnings per share

The calculation of basic earnings per share was shown as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Profit attributable to ordinary shareholders of the Company	<u>\$ 2,995,727</u>	<u>1,743,628</u>	<u>5,581,470</u>	<u>2,001,727</u>
Weighted average number of ordinary shares (thousands shares)	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Basic earnings per share (in dollars)	<u>\$ 9.99</u>	<u>5.81</u>	<u>18.60</u>	<u>6.67</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(u) Insurance Revenue

(i) Detail of Insurance Revenue

For the six months ended June 30, 2026											
	Contracts measured under the GMM			Contracts measured under the VFA(Direct underwriting)	Contracts measured under the PAA			Total insurance revenue			Notes
	Direct underwriting	Inward reinsurance	Total		Direct underwriting	Inward reinsurance	Total	Direct underwriting	Inward reinsurance	Total	
Insurance revenue from contracts not measured under the PAA											
Amounts relating to the changes in the LRC											
Expected incurred claims and other directly attributable expenses	\$ 1,614,171	(6)	1,614,165	-	-	-	-	1,614,171	(6)	1,614,165	
CSM recognised for the services provided	1,324,710	6	1,324,716	-	-	-	-	1,324,710	6	1,324,716	
Change in the risk adjustment for non-financial risk for the risk expired	322,793	(1)	322,792	-	-	-	-	322,793	(1)	322,792	
Recovery of insurance acquisition cash flows	560,124	-	560,124	-	-	-	-	560,124	-	560,124	
Insurance revenue from contracts not measured under the PAA	3,821,798	(1)	3,821,797	-	-	-	-	3,821,798	(1)	3,821,797	
Insurance revenue from contracts measured under the PAA	-	-	-	-	32,848,221	1,278,106	34,126,327	32,848,221	1,278,106	34,126,327	
Total insurance revenue	\$ 3,821,798	(1)	3,821,797	-	32,848,221	1,278,106	34,126,327	36,670,019	1,278,105	37,948,124	

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For the six months ended June 30, 2025											
	Contracts measured under the GMM			Contracts measured under the VFA(Direct underwriting)	Contracts measured under the PAA			Total insurance revenue			Notes
	Direct underwriting	Inward reinsurance	Total		Direct underwriting	Inward reinsurance	Total	Direct underwriting	Inward reinsurance	Total	
Amounts relating to the changes in the LRC											
Expected incurred claims and other directly attributable expenses	\$	1,351,272	(35)	1,351,237	-	-	-	-	1,351,272	(35)	1,351,237
CSM recognised for the services provided		1,026,906	33	1,026,939	-	-	-	-	1,026,906	33	1,026,939
Change in the risk adjustment for non-financial risk for the risk expired		307,258	(4)	307,254	-	-	-	-	307,258	(4)	307,254
Recovery of insurance acquisition cash flows		610,335	-	610,335	-	-	-	-	610,335	-	610,335
Insurance revenue from contracts not measured under the PAA		3,295,771	(6)	3,295,765	-	-	-	-	3,295,771	(6)	3,295,765
Insurance revenue from contracts measured under the PAA		-	-	-	-	30,755,680	1,152,001	31,907,681	30,755,680	1,152,001	31,907,681
Total insurance revenue	\$	3,295,771	(6)	3,295,765	-	30,755,680	1,152,001	31,907,681	34,051,451	1,151,995	35,203,446

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss is provided in the following table:

	Lessee than 1			more than 5	
<u>June 30, 2026</u>	<u>year</u>	<u>1~3 years</u>	<u>3~5 years</u>	<u>years</u>	<u>Total</u>
Insurance contracts issued	\$ <u>1,860,973</u>	<u>1,433,828</u>	<u>445,375</u>	<u>297,900</u>	<u>4,038,076</u>
<u>December 31, 2025</u>	<u>year</u>	<u>1~3 years</u>	<u>3~5 years</u>	<u>years</u>	<u>Total</u>
Insurance contracts issued	\$ <u>1,674,177</u>	<u>1,256,795</u>	<u>500,366</u>	<u>334,717</u>	<u>3,766,055</u>
<u>June 30, 2025</u>	<u>year</u>	<u>1~3 years</u>	<u>3~5 years</u>	<u>years</u>	<u>Total</u>
Insurance contracts issued	\$ <u>1,303,131</u>	<u>878,843</u>	<u>340,867</u>	<u>202,538</u>	<u>2,725,379</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Insurance service expenses

For the six months ended June 30, 2026											
	Contracts measured under the GMM			Contracts measured the VFA (Direct underwriting)	Contracts measured under the PAA			Total insurance expense			Notes
	Direct underwriting	Reinsured	Total		Direct underwriting	Reinsured	Total	Direct underwriting	Reinsured	Total	
Incurred claims	\$ 896,674	-	896,674	-	17,180,308	378,203	17,558,511	18,076,982	378,203	18,455,185	
Other directly attributable expenses	221,425	-	221,425	-	2,007,943	39,639	2,047,582	2,229,368	39,639	2,269,007	
Changes that relate to past service – changes in the FCF relating to the LIC	909,694	5	909,699	-	(2,585,090)	380,522	(2,204,568)	(1,675,396)	380,527	(1,294,869)	
Changes that relate to future service –Losses on onerous contracts and reversal of those losses	3,523	-	3,523	-	242,788	108,319	351,107	246,311	108,319	354,630	
Amortisation	560,124	-	560,124	-	6,386,047	21,651	6,407,698	6,946,171	21,651	6,967,822	
Total insurance service expenses	<u>\$ 2,591,440</u>	<u>5</u>	<u>2,591,445</u>	<u>-</u>	<u>23,231,996</u>	<u>928,334</u>	<u>24,160,330</u>	<u>25,823,436</u>	<u>928,339</u>	<u>26,751,775</u>	
For the six months ended June 30, 2025											
	Contracts measured under the GMM			Contracts measured under the VFA (Direct underwriting)	Contracts measured under the PAA			Total insurance expense			Notes
	Direct underwriting	Reinsured	Total		Direct underwriting	Reinsured	Total	Direct underwriting	Reinsured	Total	
Incurred claims	\$ 384,061	-	384,061	-	15,748,078	632,650	16,380,728	16,132,139	632,650	16,764,789	
Other directly attributable expenses	229,181	-	229,181	-	1,931,196	24,787	1,955,983	2,160,377	24,787	2,185,164	
Changes that relate to past service – changes in the FCF relating to the LIC	(116,887)	8	(116,879)	-	3,651,440	226,310	3,877,750	3,534,553	226,318	3,760,871	
Changes that relate to future service –Losses on onerous contracts and reversal of those losses	727	-	727	-	28,714	17,964	46,678	29,441	17,964	47,405	
Amortisation	610,335	-	610,335	-	6,139,093	22,143	6,161,236	6,749,428	22,143	6,771,571	
Total insurance service expenses	<u>\$ 1,107,417</u>	<u>8</u>	<u>1,107,425</u>	<u>-</u>	<u>27,498,521</u>	<u>923,854</u>	<u>28,422,375</u>	<u>28,605,938</u>	<u>923,862</u>	<u>29,529,800</u>	

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(w) Net income/expenses from reinsurance contracts held

(i) Detailed Schedule of income or expenses from reinsurance contracts held

Item	For the six months ended June 30, 2026	
	Contracts measured under the GMM	Contracts measured under the PAA
Allocation of premiums paid		
Reinsurance expenses – contracts not measured under the PAA		
Changes in liabilities for remaining coverage		
Expected incurred claims and other directly attributable expenses recovery	\$ (1,695,666)	-
Change in the risk adjustment for non-financial risk for the risk expired	(326,886)	-
CSM recognized for the services received	(1,951,365)	-
Reinsurance expenses – contracts measured under the PAA	-	(6,564,239)
Subtotal	(3,973,917)	(6,564,239)
Incurred claims recovery	971,459	1,288,950
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	410,873	1,306,560
Reversals of a loss-recovery component	65,522	90,962
Effect of changes in the risk of reinsurers' non-performance	558	3,821
Subtotal	1,448,412	2,690,293
Total net expenses from reinsurance contracts held	<u>\$ (2,525,505)</u>	<u>(3,873,946)</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Item	For the six months ended June 30, 2025	
	Contracts measured under the GMM	Contracts measured under the PAA
Allocation of premiums paid		
Reinsurance expenses – contracts not measured under the PAA	\$	
Changes in liabilities for remaining coverage		
Expected incurred claims and other directly attributable expenses recovery	(1,298,385)	-
Change in the risk adjustment for non-financial risk for the risk expired	(364,802)	-
CSM recognized for the services received	(1,671,249)	-
Reinsurance expenses – contracts measured under the PAA	-	(5,915,030)
Subtotal	(3,334,436)	(5,915,030)
Incurred claims recovery	142,579	1,246,207
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	129,547	5,967,506
Reversals of a loss-recovery component	235,671	(35,899)
Effect of changes in the risk of reinsurers' non-performance	(536,920)	(4,986)
Subtotal	(29,123)	7,172,828
Total net expenses from reinsurance contracts held	\$ <u>(3,363,559)</u>	<u>1,257,798</u>

(ii) The expected recognition of the CSM remaining from reinsurance contracts held

June 30, 2026	Lesses than 1 year	1~3 years	3~5 years	more than 5 years	Total
Reinsurance contracts held	\$ <u>2,493,672</u>	<u>1,938,287</u>	<u>624,893</u>	<u>465,006</u>	<u>5,521,858</u>
December 31, 2025	Lesses than 1 year	1~3 years	3~5 years	more than 5 years	Total
Reinsurance contracts held	\$ <u>1,857,994</u>	<u>1,666,779</u>	<u>565,733</u>	<u>221,651</u>	<u>4,312,157</u>
June 30, 2025	Lesses than 1 year	1~3 years	3~5 years	more than 5 years	Total
Reinsurance contracts held	\$ <u>2,019,072</u>	<u>1,502,284</u>	<u>523,373</u>	<u>203,901</u>	<u>4,248,630</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Finance income (expenses) from insurance contracts

The following table presents an analysis of the components of insurance finance income (expenses), together with their relationship to the investment returns on the underlying assets:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Net investment income (losses) recognized in profit or loss				
Interest revenue	\$ 323,291	198,416	602,219	390,221
Gain (Loss) on Financial assets at fair value through profit or loss	960,836	593,807	1,225,286	(251,826)
Gain (losses) from FVOCI financial assets	161,150	12,366	218,637	12,366
Foreign exchange gains (losses)	(90,893)	(632,534)	(91,646)	(672,804)
Gains (losses) on investment property	80,744	70,572	159,935	148,908
Impairment losses or reversal of impairment losses on investments	(243)	8,328	(2,029)	8,227
Other net income (losses) from investments	86	(25,014)	86	781,870
Total net investment income (losses) recognized in profit or loss	<u>1,434,971</u>	<u>225,941</u>	<u>2,112,488</u>	<u>416,962</u>
Net investment income (losses) recognized in OCI	7,175,959	98,667	7,153,154	(22,242)
Total investment income (losses)	<u>\$ 8,610,930</u>	<u>324,608</u>	<u>9,265,642</u>	<u>394,720</u>
Finance income (expenses) from insurance contracts				
Interest accreted	(102,415)	(184,378)	(206,740)	(194,590)
Effect of changes in interest rates and other financial assumptions	(1,361)	(1,799)	1,299	1,080
Total finance income (expenses) from insurance contracts	<u>\$ (103,776)</u>	<u>(186,177)</u>	<u>(205,441)</u>	<u>(193,510)</u>
Finance income (expenses) from reinsurance contracts held				
Interest accreted	\$ 7,226	93,864	35,681	54,318
Effect of changes in interest rates and other financial assumptions	3,057	323	2,053	(1,144)
Total Finance income (expenses) from reinsurance contracts held	<u>\$ 10,283</u>	<u>94,187</u>	<u>37,734</u>	<u>53,174</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(y) Nature and scope of insurance contract risk

(i) Insurance contract risk management objective, policy, procedure and method.

1) Risk management policy and objective

The Group according to the Risk Management Practice Principles for Insurance Enterprises, the Regulations Governing the Implementation of Internal Control and Audit Systems by Insurance Enterprises and Fubon Financial Holding Co., Ltd. Risk Management Policy prescribed risk management policy to ensure conservatism operating to pursuit of shareholder value maximization.

2) Risk management framework organization responsibility and accountability

Risk Management Committee and Independent Risk Management Department are subordinate to the Board. Their related responsibility is as followed:

a) The Board of Directors

- i) Aware of all risks related to operating in the insurance industry, ensures the efficacy of risk management, and assumes ultimate responsibility.
- ii) Assures that the company establishes the appropriate risk management mechanism and culture, approves appropriate risk management policies, and achieves an optimal allocation of resources.
- iii) Consider the effects of aggregating all risk information from the overall perspective of the company, the statutory capital required by the authorities, and relevant regulations that could potentially affect capital allocation.
- iv) To supervise the promotion of sustainable development, the risk management policies or strategies formulated should include the risk assessment of ESG issues related to the Company's operations.

b) Risk Management Committee

The Risk Management Committee was formed pursuant to the Risk Management Committee Charter. In discharge of its duties, the committee sets risk management policies, structure, organizational function and executes the Board's risk management decisions. The committee also oversees the overall development, establishment and performance of the Group's risk management mechanism, reporting to the Board on the implementation of risk management and proposing necessary improvement.

c) Chief Risk Officer

A Chief Risk Officer is appointed by the Group and held accountable for the overall operation of risk management, from strategic planning, supervising the Group's establishment of and compliance with the risk management protocols, monitoring the adequacy of risk exposure and effectiveness of risk control mechanism, overseeing the risk management department of the Group.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- d) Risk Management Department
 - i) Risk monitoring, measuring, evaluating of the Company daily routine affairs.
 - ii) Assist in the formulation and the implementation of the risk management policies and strategies approved by the Board.
 - iii) Follow the Company' s risk appetite and set risk tolerance and limit
 - iv) Summarize risk information, coordinated and communicated for carrying out policy and quota of each group.
 - v) Risk management report is proposed regularly.
 - vi) Monitor the risk of each operating groups regularly.
 - vii) Assistance of pressure test.
 - viii) Back testing. (if necessary)
 - ix) Others
- e) Operating Segments
 - i) Execute risk management independent and help to execute risk management effectively.
 - ii) Be responsible for preparing daily risk report, taking actions and conveying risk management information to risk management department regularly.
 - iii) The responsibilities of operating segments are as follows:
 - 1. Recognize and measure the risks that can be reasonably expected during the operation process. Report risk management information and risk exposure to the risk management department regularly.
 - 2. Review risks and restrictions and ensure the effectiveness of risk tolerance policies.
 - 3. Monitor risk exposure and measure the risk exceed the tolerance.
 - 4. Ensure the effectiveness of internal control.
 - 5. Gather the information which is related to operational risk.
- 3) Scope and nature of risk reporting and measurement system

The Group measures insurance risks based on each of its risk factors: commodity price, underwriting, claims, catastrophe, reinsurance and reserve; It monitors key risks by setting key risk indicators.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group considers the risk-bearing capacity of its underwriting businesses and sets per retention limit and per occurrence limit to implement risk management and control. Meanwhile, using scenario simulation method, the Group sets risk tolerance for key risks (insurance risk, market risk, credit risk and operational risk) to ensure that the overall risk does not exceed the Group's risk appetite.

Each authorities of the Group monitors relevant risk management indicators monthly or quarterly, summarizes and provides the results to the risk management department, which would then report to the Risk Management Committee. The risk management department summarizes risk management reports and risk monitoring indicators every six months, prepares overall risk management reports and represents the overall risk acceptance of the Group to the Risk Management Committee and Board of directors, and reviews the operations of risk management mechanism and other specific risk management issues.

4) Insurance risk process and method

Insurance risk means paying the claim and other related expense of the loss caused by unexpected events after the insurance industry receives premium and take the risk that transfer from the insured.

The Group prescribed risk management policy to measure: underwrite, reinsurance, catastrophic, claims, commodity price and reserve.

The risk management processes include risk identification, risk measurement, risk monitoring and risk responding. To ensure the timeliness, reliability and safety of risk management information, except for the tiers' disclosure per the regulations, the Group also updates and maintains the relevant risk management documents and report through tiers authorization.

In addition, the Group manages insurance risk by establishing risk tolerance, risk limit and critical risk indicators and reports to the Risk Management Committee per the reporting frequencies of respective indicators. If the risk tolerance, risk limit or critical risk exceeds the limit of the indicators, the responsible unit shall submit an explanation for the limit breach and a solution of improvement. The explanation and solution shall be reviewed by the insurance risk team then submitted to the Risk Management Committee. Once approved, the Risk Management Department shall keep track of the improvement per the content approved.

In view of the occurrence of a specific event such as COVID-19 epidemic, the Group would monitor the risk factors including underwriting, reinsurance, claims relating to the specific event and closely supervise the risk appetite, and adjust the risk category, risk limit allocation and assumption method according to changes in the environment. If necessary, the Group will initiate the assessment of the capital increase demand to ensure the operating safety of the Group's working capital liquidity.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Insurance risk information

1) Insurance risk sensitivity analysis

The following table presents the sensitivity analysis of profit or loss and equity to changes in underwriting risk variables at the reporting date. The analysis reflects sensitivities both before and after the effects of risk mitigation through reinsurance, assuming that all other variables remain constant.

a) The Company

	For the six months ended June 30, 2026			
	Profit or Loss		Equity	
	Gross	Net	Gross	Net
Ultimate claims decrease of 5%	\$ 2,397,059	1,120,043	1,917,647	896,034
Ultimate claims increase of 5%	(2,452,580)	(1,152,360)	(1,962,064)	(921,888)

	For the six months ended June 30, 2025			
	Profit or Loss		Equity	
	Gross	Net	Gross	Net
Ultimate claims decrease of 5%	\$ 1,894,781	847,691	1,515,825	678,153
Ultimate claims increase of 5%	(1,951,276)	(888,970)	(1,561,020)	(711,176)

b) Subsidiary-Fubon P&C Insurance Co.,Ltd

	For the six months ended June 30, 2026			
	Profit or Loss		Equity	
	Gross	Net	Gross	Net
Ultimate claims decrease of 5%	\$ 110,832	100,628	83,124	75,471
Ultimate claims increase of 5%	(110,832)	(100,628)	(83,124)	(75,471)

	For the six months ended June 30, 2025			
	Profit or Loss		Equity	
	Gross	Net	Gross	Net
Ultimate claims decrease of 5%	\$ 95,990	84,590	71,992	63,443
Ultimate claims increase of 5%	(95,990)	(84,590)	(71,992)	(63,443)

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Concentration of insurance risk

Based on insurance contracts (net of reinsurance), the relative proportion of each line of business is assessed. Voluntary motor insurance represents the highest proportion. As of June 30, 2026, December 31 and June 30, 2025 the proportions were 40.6%, 42.1% and 44.8% . The Group considered that the loss experience of voluntary moto insurance is stable and retained all the reinsurance. For other insurances, the Group evaluated the possibility of significant accumulated loss and arranged appropriate reinsurance contracts to diversify the risk and there is no risk concentration.

In addition, the insurance which is likely to result in significant accumulated loss is catastrophe insurance (For example, earthquake, typhoon and flood) and the insurances which are likely to result in accumulation are property insurance (fire insurance and engineering insurance), marine insurance and personal accident insurance. To avoid the operating risk resulting from the underwriting risk concentration, the Group has bought catastrophe reinsurance contracts in advance for abovementioned insurances to diversify the risk.

The premium proportion of underwriting insurance and reinsurance:

Type	June 30, 2026	December 31, 2025	June 30, 2025
Fire insurance	\$ 2,001,616	1,388,559	2,066,158
Marine cargo insurance	800,271	815,658	726,617
Marine hull/Fishing vessel aviation insurance	121,580	172,520	170,600
Voluntary moto insurance	19,731,775	18,889,168	18,646,767
Compulsory moto TPL insurance	5,407,399	5,170,936	5,069,139
Liability insurance	5,708,559	5,310,178	5,146,345
Engineering and nuclear insurance	3,058,090	1,791,034	2,952,623
Surety and credit insurance	108,738	117,567	86,387
Other property insurance	577,049	539,888	(1,092,049)
Personal accident insurance	4,634,167	4,504,435	4,570,808
Typhoon, flood and earthquake insurance	590,482	816,148	1,370,475
Personal and commercial multiple peril insurance	612,847	489,421	504,718
Health insurance	1,106,192	873,574	(2,188,313)
Overseas business	729,508	749,528	802,800
Overseas subsidiaries	3,440,852	3,263,609	2,769,905
Total	<u>\$ 48,629,125</u>	<u>44,892,223</u>	<u>41,602,980</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Claims trend :

On both a gross basis before reinsurance and a net basis after reinsurance, the following tables present the development over time of the Company's estimated cumulative claims.

The tables illustrate how the total claims for each accident year of the Company have developed over time and provide a reconciliation of the cumulative claims to the amounts reported in the balance sheet.

All amounts have been translated at the closing exchange rates as of the reporting date.

a) Gross of reinsurance

In Thousands of New Taiwan Dollars

i) The Company

	June 30, 2026							
	≤2019	2020	2021	2022	2023	2024	2025	2026
At the end of occurrence year	28,042,756	28,612,384	31,498,623	122,487,711	40,760,563	45,029,253	43,737,414	22,021,978
The first year	27,349,057	27,704,924	29,296,182	124,803,650	37,105,468	40,261,836	40,795,924	
The second year	26,639,657	27,414,188	29,021,641	125,096,584	36,567,740	38,986,952		
The third year	26,502,827	27,275,483	28,633,434	124,738,862	36,516,769			
The fourth year	26,483,971	27,016,726	28,599,008	124,705,450				
The fifth year	26,450,722	27,027,463	28,602,209					
The sixth year	26,522,344	27,025,106						
The seventh year	26,499,535							
Estimation of accumulated claims	26,115,748	26,772,514	28,150,465	122,641,284	34,621,085	33,699,822	26,922,905	5,339,105
Cumulative payment to date	383,787	252,592	451,744	2,064,166	1,895,684	5,287,130	13,873,019	16,682,873
Impact of discounting								(432,118)
Liability for Incurred Claims of direct business and assumed reinsurance								40,458,877

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

ii) Subsidiary-Fubon P&C Insurance Co.,Ltd.

	June 30, 2026				
	≤2022	2023	2024	2025	2026
At the end of occurrence year	2,898,162	2,493,912	2,494,985	2,938,100	1,653,990
The first year	2,292,086	2,260,817	2,103,331	2,735,063	
The second year	2,143,720	2,241,496	2,047,091		
The third year	2,127,883	2,197,261			
The fourth year	2,104,444				
Cumulative payment to date	2,047,014	2,077,984	1,866,772	2,021,502	516,299
Incurred claims liabilities	57,430	119,277	180,319	713,561	1,137,691
Other Incurred claims liabilities (net of reinsurance)					287,223
Impact of discounting					(21,047)
Liability for Incurred Claims of direct business and assumed reinsurance					2,474,454

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

i) The Company

	December 31, 2025						
	≤2019	2020	2021	2022	2023	2024	2025
At the end of occurrence year	28,042,756	28,612,384	31,498,623	122,487,711	40,760,563	45,029,253	43,737,414
The first year	27,349,057	27,704,924	29,296,182	124,803,650	37,105,468	40,261,836	
The second year	26,639,657	27,414,188	29,021,641	125,096,584	36,567,740		
The third year	26,502,827	27,275,483	28,633,434	124,738,862			
The fourth year	26,483,971	27,016,726	28,599,008				
The fifth year	26,450,722	27,027,463					
The sixth year	26,522,344						
Cumulative payment to date	26,098,938	26,722,105	28,003,149	121,998,602	34,196,331	30,541,114	18,057,463
Incurred claims liabilities	423,406	305,358	595,859	2,740,260	2,371,409	9,720,722	25,679,951
Impact of discounting							(359,068)
Liability for Incurred Claims of direct business and assumed reinsurance							41,477,897

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

ii) Subsidiary-Fubon P&C Insurance Co.,Ltd.

	December 31, 2025				
	≤2021	2022	2023	2024	2025
At the end of occurrence year	3,974,632	2,782,277	2,394,191	2,395,222	2,820,618
The first year	3,180,227	2,200,436	2,170,417	2,019,228	
The second year	3,009,370	2,058,002	2,151,868		
The third year	2,938,411	2,042,798			
The fourth year	2,946,411				
Cumulative payment to date	2,861,847	1,937,361	1,984,407	1,732,061	1,373,405
Incurred claims liabilities	84,564	105,437	167,461	287,167	1,447,213
Other Incurred claims liabilities					313,258
Impact of discounting					(29,729)
Liability for Incurred Claims of direct business and assumed reinsurance					2,375,371

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

i) The Company

	June 30, 2025						
	2019	2020	2021	2022	2023	2024	2025
At the end of occurrence year	28,042,756	28,612,384	31,498,623	122,487,711	40,760,563	45,029,253	25,149,884
The first year	27,349,057	27,704,924	29,296,182	124,803,650	37,105,468	41,350,821	
The second year	26,639,657	27,414,188	29,021,641	125,096,584	36,311,030		
The third year	26,502,827	27,275,483	28,633,434	124,837,449			
The fourth year	26,483,971	27,016,726	28,606,388				
The fifth year	26,450,722	27,030,559					
The sixth year	26,554,654						
Cumulative payment to date	26,070,574	26,695,733	27,842,440	121,424,420	33,473,533	27,224,005	5,112,276
Incurred claims liabilities	484,080	334,826	763,948	3,413,029	2,837,497	14,126,816	20,037,608
Impact of discounting							(466,085)
Liability for Incurred Claims of direct business and assumed reinsurance							41,531,719

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

ii) Subsidiary-Fubon P&C Insurance Co.,Ltd.

	June 30, 2025				
	≤ 2021	2022	2023	2024	2025
At the end of occurrence year	3,686,858	2,580,833	2,220,845	2,221,801	1,107,891
The first year	2,949,970	2,041,118	2,013,273	2,032,854	
The second year	2,791,483	1,908,997	2,011,371		
The third year	2,725,663	1,897,252			
The fourth year	2,737,449				
Cumulative payment to date	2,642,686	1,781,279	1,805,470	1,511,938	349,668
Incurred claims liabilities	94,763	115,973	205,901	520,916	758,223
Other Incurred claims liabilities					350,528
Impact of discounting					(25,044)
Liability for Incurred Claims of direct business and assumed reinsurance					2,021,260

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Net of reinsurance

i) The Company

	June 30, 2026							
	≤ 2019	2020	2021	2022	2023	2024	2025	2026
At the end of occurrence year	21,713,724	22,196,150	24,087,712	91,396,504	32,901,003	28,898,070	28,958,809	15,353,792
The first year	20,983,406	21,703,789	22,761,285	92,671,304	30,094,932	26,320,073	27,310,736	
The second year	20,702,429	21,499,033	22,582,107	92,435,324	29,775,609	25,369,778		
The third year	20,614,313	21,359,476	22,359,153	92,254,107	29,706,878			
The fourth year	20,616,699	21,300,942	22,307,862	92,341,199				
The fifth year	20,572,323	21,263,787	22,322,784					
The sixth year	20,567,562	21,285,032						
The seventh year	20,590,908							
Cumulative claims payments (net of reinsurance)	20,471,333	21,187,902	22,094,377	91,674,579	28,536,464	23,497,546	22,512,184	5,305,834
Incurred claims liabilities (net of reinsurance)	119,575	97,130	228,407	666,620	1,170,414	1,872,232	4,798,552	10,047,958
Impact of discounting								(117,148)
Liability for Incurred Claims recognized in the balance sheet (net of reinsurance)								18,883,739

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

ii) Subsidiary-Fubon P&C Insurance Co.,Ltd.

	June 30, 2026				
	≤ 2022	2023	2024	2025	2026
At the end of occurrence year	2,327,353	1,886,020	1,936,379	2,530,757	1,481,965
The first year	1,946,963	1,860,501	1,705,359	2,458,714	
The second year	1,828,414	1,882,980	1,691,904		
The third year	1,830,028	1,857,435			
The fourth year	1,812,776				
Cumulative claims payments (net of reinsurance)	1,768,800	1,770,836	1,564,670	1,838,092	481,618
Incurred claims liabilities (net of reinsurance)	43,976	86,599	127,234	620,622	1,000,347
Other Incurred claims liabilities (net of reinsurance)					19,335
Impact of discounting					(15,881)
Liability for Incurred Claims recognized in the balance sheet (net of reinsurance)					1,882,232

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

i) The Company

	December 31, 2025						
	≤2019	2020	2021	2022	2023	2024	2025
At the end of occurrence year	21,713,724	22,196,150	24,087,712	91,396,504	32,901,003	28,898,070	28,958,809
The first year	20,983,406	21,703,789	22,761,285	92,671,304	30,094,932	26,320,073	
The second year	20,702,429	21,499,033	22,582,107	92,435,324	29,775,609		
The third year	20,614,313	21,359,476	22,359,153	92,254,107			
The fourth year	20,616,699	21,300,942	22,307,862				
The fifth year	20,572,323	21,263,787					
The sixth year	20,567,562						
Cumulative claims payments (net of reinsurance)	20,424,573	21,126,890	22,002,869	91,210,575	28,167,456	22,872,455	17,034,235
Incurred claims liabilities (net of reinsurance)	142,989	136,897	304,993	1,043,532	1,608,153	3,447,618	11,924,574
Impact of discounting							(72,662)
Liability for Incurred Claims recognized in the balance sheet (net of reinsurance)							18,536,094

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

ii) Subsidiary-Fubon P&C Insurance Co.,Ltd.

	June 30, 2026				
	≤2022	2023	2024	2025	2026
At the end of occurrence year	2,936,608	2,234,292	1,810,606	1,858,952	2,429,563
The first year	2,457,121	1,869,113	1,786,108	1,637,169	
The second year	2,387,907	1,755,304	1,807,688		
The third year	2,318,362	1,756,853			
The fourth year	2,325,943				
Cumulative claims payments (net of reinsurance)	2,254,540	1,674,263	1,691,359	1,446,857	1,234,004
Incurred claims liabilities (net of reinsurance)	71,403	82,590	116,329	190,312	1,195,559
Other Incurred claims liabilities (net of reinsurance)					70
Impact of discounting					(21,738)
Liability for Incurred Claims recognized in the balance sheet (net of reinsurance)					1,634,525

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

i) The Company

	June 30, 2025						
	≤2019	2020	2021	2022	2023	2024	2025
At the end of occurrence year	21,713,724	22,196,150	24,087,712	91,396,504	32,901,003	28,898,070	15,347,662
The first year	20,983,406	21,703,789	22,761,285	92,671,304	30,094,932	26,963,147	
The second year	20,702,429	21,499,033	22,582,107	92,435,324	29,650,840		
The third year	20,614,313	21,359,476	22,359,153	92,235,763			
The fourth year	20,616,699	21,300,942	22,312,337				
The fifth year	20,572,323	21,258,387					
The sixth year	20,584,119						
Cumulative claims payments (net of reinsurance)	20,411,412	21,086,952	21,902,533	91,009,078	29,142,641	24,928,878	5,063,204
Incurred claims liabilities (net of reinsurance)	172,707	171,435	409,804	1,226,685	508,199	2,034,269	10,284,458
Impact of discounting							(67,907)
Liability for Incurred Claims recognized in the balance sheet (net of reinsurance)							14,739,650

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

ii) Subsidiary-Fubon P&C Insurance Co.,Ltd.

	June 30, 2026				
	≤2022	2023	2024	2025	2026
At the end of occurrence year	2,723,989	2,072,523	1,679,513	1,724,359	930,609
The first year	2,279,219	1,733,784	1,656,789	1,600,170	
The second year	2,215,016	1,628,215	1,684,446		
The third year	2,150,507	1,631,692			
The fourth year	2,158,926				
Cumulative claims payments (net of reinsurance)	2,085,595	1,542,939	1,537,649	1,246,113	314,333
Incurred claims liabilities (net of reinsurance)	73,331	88,753	146,797	354,057	616,276
Other Incurred claims liabilities (net of reinsurance)					14,779
Impact of discounting					(17,206)
Liability for Incurred Claims recognized in the balance sheet (net of reinsurance)					1,276,787

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Credit risk, Liquidity risk, Market risk

1) Credit risk

The credit risk of insurance contracts comes mainly from reinsurance business (The reinsurers' default or bad financial condition which leads to the incapability of paying the reinsurance claims). The Group arranges its reinsurance contracts in accordance with "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms". The reinsurers which the Group engages are mostly with certain credit rating and are qualified for the criteria for authorized reinsurer. The Group also established relevant risk control procedures to regularly track and monitor and credit rating change of reinsurers.

Compliance with the "Regulations Governing the Provision of Unauthorized Reinsurance Reserves for Insurance Company" No.5, the transaction with unauthorized reinsurers shall be represented in the notes of financial statements and the content shall include the summary of unauthorized reinsurance contracts and types of reinsurance, the reinsurance premium expense of unauthorized reinsurance contracts and general description of the amount of unauthorized reserve and its components.

a) Summary of reinsurance contracts and the related ceding reinsurers:

- i) As of June 30, 2026 the major unauthorized reinsurance companies that the Group had transactions with are as follows:
1. AMERICAN INTERNATIONAL GROUP UK LTD. etc.: Facultative reinsurance of engineering insurance.
 2. SPACIOM LIMITED etc.: Facultative reinsurance of commercial fire insurance.
 3. MUTUAL INSURANCE ASSOCIATION MUNIS U.A: Facultative reinsurance of marine insurance.
 4. Trust International Insurance and Reinsurance CO. B.S.C. (C) TRUST RE etc.: Treaty reinsurance of marine insurance.
 5. EVERGREEN INSURANCE COMPANY LIMITED: Facultative reinsurance of casualty insurance.
 6. RiverStone Insurance (UK) limited etc.: Treaty reinsurance of engineering insurance.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- ii) As of December 31, 2025, the major unauthorized reinsurance companies that the Group had transactions with are as follows:
1. AMERICAN INTERNATIONAL GROUP UK LTD. etc.: Facultative reinsurance of engineering insurance.
 2. SPACIOM LIMITED etc.: Facultative reinsurance of commercial fire insurance.
 3. MUTUAL INSURANCE ASSOCIATION MUNIS U.A: Facultative reinsurance of marine insurance.
 4. Trust International Insurance and Reinsurance CO. B.S.C. (C) TRUST RE etc.: Treaty reinsurance of marine insurance.
 5. Likewize Corp. etc.: Facultative reinsurance of casualty insurance.
 6. RiverStone Insurance (UK) limited etc.: Treaty reinsurance of engineering insurance.
 7. EVERGREEN INSURANCE COMPANY LIMITED etc.: Facultative reinsurance of motor insurance.
- iii) As of June 30, 2025, the major unauthorized reinsurance companies that the Group had transactions with are as follows:
1. AMERICAN INTERNATIONAL GROUP UK LTD. etc.: Facultative reinsurance of engineering insurance.
 2. SPACIOM LIMITED etc.: Facultative reinsurance of commercial fire insurance.
 3. Asia Capital Reinsurance Group Pte Ltd etc.: Facultative reinsurance of marine insurance.
 4. Trust International Insurance and Reinsurance CO. B.S.C. (C) TRUST RE etc.: Treaty reinsurance of marine insurance.
 5. Likewize Corp. etc.: Facultative reinsurance of casualty insurance.
 6. RiverStone Insurance (UK) limited etc.: Treaty reinsurance of engineering insurance.
 7. EVERGREEN INSURANCE COMPANY LIMITED etc.: Facultative reinsurance of motor insurance.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- iv) The following tables set out information on the credit quality of reinsurance contract assets (the impact of including subsidiaries in the consolidated disclosures has been assessed as immaterial; therefore, no separate disclosure for subsidiary data is presented):

1. The Company

	June 30, 2026	December 31, 2025	June 30, 2025
AAA	\$ 1,179,628	1,687,010	1,577,929
AA	9,908,607	10,145,089	6,981,208
A	12,439,242	13,544,573	18,885,295
BBB	594,205	630,445	1,398,066
Other	1,350,004	1,004,861	1,809,659
	<u>\$ 25,471,686</u>	<u>27,011,978</u>	<u>30,652,157</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Reconciliation of the liability for remaining coverage and the liability for incurred claims- reinsurance contract

For the six months ended June 30, 2026	Remaining coverage			Incurred claims with GMM	LIC under PAA			Total
	Excluding loss-recovery component	Loss-recovery component	SubTotal		Present value of future cash flow	Risk adjustment for non-financial risk	SubTotal	
Reinsurance contract assets as at January 1, 2026	\$ 23,583	(308)	23,275	49,854	66,148	4,364	70,512	143,641
Reinsurance contract liabilities as at January 1, 2026	(2,609)	16	(2,593)	1,531	93	8	101	(961)
Balance, net at January 1, 2026	20,974	(292)	20,682	51,385	66,241	4,372	70,613	142,680
Reinsurance expenses	(53,870)	-	(53,870)	-	-	-	-	(53,870)
The amounts recovered from the reinsurers								
Incurred claims recovery	-	(550)	(550)	5,700	6,119	362	6,481	11,631
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	844	844	-	-	-	-	844
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	2,201	8,784	(1,441)	7,343	9,544
Total amounts recovered from the reinsurers	-	294	294	7,901	14,903	(1,079)	13,824	22,019
Effect of changes in the risk of reinsurers' non-performance	-	-	-	3	28	-	28	31
Net income (expenses) from reinsurance contracts held	(53,870)	294	(53,576)	7,904	14,931	(1,079)	13,852	(31,820)
Finance income from reinsurance contracts held								
Interest rate	(226)	(18)	(244)	182	246	-	246	184
Finance income from reinsurance contracts held	(226)	(18)	(244)	182	246	-	246	184
Total amounts recognised in comprehensive income	(54,096)	276	(53,820)	8,086	15,177	(1,079)	14,098	(31,636)
Investment components	(26)	-	(26)	2	24	-	24	-
Cash flows								
Recoveries from reinsurance	-	-	-	(9,041)	(20,437)	-	(20,437)	(29,478)
Premiums paid net of ceding commissions and other directly attributable expenses paid	52,945	-	52,945	-	-	-	-	52,945
Total cash flows	52,945	-	52,945	(9,041)	(20,437)	-	(20,437)	23,467
Reinsurance contract assets as at June 30, 2026	21,985	(17)	21,968	49,226	60,969	3,288	64,257	135,451
Reinsurance contract liabilities as at June 30, 2026	(2,188)	1	(2,187)	1,206	36	5	41	(940)
Balance, net at June 30, 2026	\$ 19,797	(16)	19,781	50,432	61,005	3,293	64,298	134,511

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	Remaining coverage			Incurred claims with GMM	LIC under PAA			Total
	Excluding loss- recovery component	Loss-recovery component	SubTotal		Present value of future cash flow	Risk adjustment for non-financial risk	SubTotal	
For the six months ended June 30, 2025								
Reinsurance contract assets as at January 1, 2025	\$ 15,273	(554)	14,719	79,766	34,430	2,167	36,597	131,082
Reinsurance contract liabilities as at 1 January 1, 2025	(97)	1	(96)	1	(17)	-	(17)	(112)
Reinsurance contract assets (liabilities) as at January 1, 2025	15,176	(553)	14,623	79,767	34,413	2,167	36,580	130,970
Reinsurance expenses	(40,099)	-	(40,099)	-	-	-	-	(40,099)
The amounts recovered from the reinsurers								
Incurred claims recovery	-	(87)	(87)	477	3,215	280	3,495	3,885
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	915	915	-	-	-	-	915
Changes that relate to past service – changes in the FCF relating to incurred claims recovery	-	-	-	599	25,503	2,503	28,006	28,605
Total	-	828	828	1,076	28,718	2,783	31,501	33,405
Effect of changes in the risk of reinsurers' non-performance	-	-	-	(2,428)	(35)	-	(35)	(2,463)
Net income (expenses) from reinsurance contracts held	(40,099)	828	(39,271)	(1,352)	28,683	2,783	31,466	(9,157)
Finance income from reinsurance contracts held								
Interest rate	(126)	2	(124)	217	136	-	136	229
Finance income from reinsurance contracts held	(126)	2	(124)	217	136	-	136	229
Total amounts recognised in comprehensive income	-	-	-	(1,135)	28,819	2,783	31,602	30,467
Investment components	(24)	-	(24)	4	20	-	20	-
Cash flows								
Recoveries from reinsurance	-	-	-	(16,328)	(9,334)	-	(9,334)	(25,662)
Premiums paid net of ceding commissions and other directly attributable expenses paid	42,081	-	42,081	-	-	-	-	42,081
Total cash flows	42,081	-	42,081	(16,328)	(9,334)	-	(9,334)	16,419
Reinsurance contract assets as at June 30, 2025	17,158	274	17,432	62,307	53,945	4,950	58,895	138,634
Reinsurance contract liabilities as at June 30, 2025	(150)	3	(147)	1	(27)	-	(27)	(173)
Balance, net at June 30, 2026	<u>\$ 17,008</u>	<u>277</u>	<u>17,285</u>	<u>62,308</u>	<u>53,918</u>	<u>4,950</u>	<u>58,868</u>	<u>138,461</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- c) The estimated future cash flows used in the measurement of groups of reinsurance contracts held and the assumptions related to the non-performance risk of the issuers of such reinsurance contracts reflected in those estimates.

For the six months ended June 30, 2026			
	Reinsurance contracts held	Acquired in the transfer of reinsurance contracts or business combination	Total
Estimates of the present value of future cash outflows	\$ (37,234)	-	(37,234)
Estimates of the present value of future cash inflows	19,965	-	19,965
Risk adjustment for non-financial risk	3,938	-	3,938
Contractual service margin	13,829	-	13,829
Impact of contracts initially recognized during the period	<u>\$ 498</u>	<u>-</u>	<u>498</u>

For the six months ended June 30, 2025			
	Reinsurance contracts held	Acquired in the transfer of reinsurance contracts or business combination	Total
Estimates of the present value of future cash outflows	\$ (30,166)	-	(30,166)
Estimates of the present value of future cash inflows	17,098	-	17,098
Risk adjustment for non-financial risk	4,731	-	4,731
Contractual service margin	9,302	-	9,302
Impact of contracts initially recognized during the period	<u>\$ 965</u>	<u>-</u>	<u>965</u>

When measuring groups of reinsurance contracts held, the Company incorporates the risk of non-performance by the issuers of the reinsurance contracts into the estimates of future cash flows. Such assumptions are primarily based on the credit ratings of the reinsurers and the corresponding probabilities of default, and reflect the risk that the reinsurers may be unable to fulfill their obligations to reimburse claims or meet other contractual obligations as they fall due.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- d) Sensitivity analysis of changes in default risk assumptions (excluding contracts measured under the Premium Allocation Approach)

The following table shows the impact on the carrying amounts of reinsurance contract assets (liabilities) held by the Group as of the reporting date, resulting from reasonably possible changes in the reinsurer's default risk:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Non-performance risk decrease of 5%	\$ -	(378)	(121)
Non-performance risk increase of 5%	-	378	121

- 2) Liquidity risk

The Group's written insurance contract was most for a one-year policy period. Significant claims will lead to insurance contract liquidity risk which may cause funding liquidity risk, so the Group evaluated liquidity risk with current ratio. To ensure that the total amount of cash, cash equivalent and assets which can be transferred into cash is larger than the risk limit of capital liquidity in order to prevent insufficient liquidity.

- 3) Market risk

The market risk of insurance contracts comes mainly from the market risk of the various reserves provided for insurance contracts, such as the variation of market interest rate.

According to "Regulations Governing the Provision of Reserves for Insurance Companies", the reserves which the Group provides include unearned premium reserve, claims reserve, special reserve, premium deficiency reserve, liability adequacy reserve and liability reserve. None of the reserves is discounted by market interest rate except the unearned premium of three-years period personal accident insurance which is calculated by using the interest rate the competent authority enacted. The variation of market interest rate does not have influence over the estimated reserve.

Liability reserve is provided for long-term return premium fire insurance (this insurance operation has been terminated). Currently it is provided for effective and undue policies. The discount rate which is applied for the provision of liability reserve takes into account the average remaining years and the trend of past market interest rate. Yet the product ceased to exist and the remaining effective policies are not many. After the evaluation the variation of market interest rate does not have significant influence over the provision of liability reserves and the profit or loss of the Group.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(z) Fair value and tiers information

(i) Fair value information

1) Definition of fair value

Fair value refers to the price which market participants can collect from selling assets or pay from transferring liability on the measurement date in an orderly market. Financial instrument is measured at fair value at initial recognition, which mostly refers to transaction price. Except for those measured at amortized cost, financial instruments are measured at fair value on a recurring basis. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities. If the market is not active, the fair value of financial instruments is determined in accordance with valuation techniques, valuation provided by the professional information providers which are commonly used by market participants, or quoted prices of the counter party.

2) Definition of the 3 tiers of fair value

a) First tier

The input of this tier is the public quote of the same financial instrument in an active market. An active market is a market that meets all the conditions listed below: Products traded in the market are homogeneous; it is able to reach buyer and seller anytime in the market and the price information can be accessed by the public. The equity instruments and debt instruments with public quote in an active market possessed by the Group belong to the first tier.

b) Second tier

The input of this tier refers to observable price except public quote in an active market, including direct observable input parameters (such as price) or indirect observable input parameters (derivation from price). The bond instruments without public quotes in an active market and the derivative financial instruments of the Group belong to the second tier.

c) Third tier

Third tier inputs are valuation parameters which are not based on the information available in the market or the quoted price comes from the counter party. The investment in equity and debt instruments without active market prices but based on counter party and part of the debt instruments evaluated by self-built models as well as most investment property (including investment property classified as assets held for sale) is categorized in third tier.

When evaluating a financial instrument, if the direct market parameters cannot be obtained, the value of the financial instrument is accessed by the public parameters of other comparable companies. However, the public parameters of other comparable companies are indirectly related; therefore, the financial instrument is within the scope of third tier. The investments in unlisted stocks are categorized in third tier.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Measured at fair value

1) Tier information of the fair value

The financial instruments measured at fair value and investment properties (including investment property classified as assets held for sale) possessed by the Group are both measured at fair value based on repeatability. The fair value tier information of the Group is as follows:

		June 30, 2026		
		Quoted prices in active markets for identical assets (1st Tier)	Significant other observable inputs (2nd Tier)	Significant unobservable inputs (3rd Tier)
Assets and liabilities	Total			
Repeatable fair value measurement				
<u>Non-derivative financial assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Stock Investment	\$ 1,010,480	1,010,480	-	-
Other	6,272,118	6,247,506	-	24,612
Financial assets at fair value through other comprehensive income				
Stock Investment	19,072,349	17,365,025	-	1,707,324
Bond Investment (Note 1)	14,341,277	7,929,307	2,754,117	3,657,853
Other	8,247,905	8,247,905	-	-
Assets held for sale	3,847,209	-	-	3,847,209
Investment Property	5,887,408	-	-	5,887,408
<u>Derivative financial assets and liabilities</u>				
Liabilities:				
Financial liabilities at fair value through profit or loss	54,334	-	54,334	-
		December 31, 2025		
		Quoted prices in active markets for identical assets (1st Tier)	Significant other observable inputs (2nd Tier)	Significant unobservable inputs (3rd Tier)
Assets and liabilities	Total			
Repeatable fair value measurement				
<u>Non-derivative financial assets and liabilities</u>				
Assets:				
Financial assets at fair value through profit or loss				
Stock Investment	\$ 13,588,493	13,588,493	-	-
Other	11,108,010	10,945,849	131,890	30,271
Financial assets at fair value through other comprehensive income				
Stock Investment	1,597,878	-	-	1,597,878
Bond Investment (Note 1)	15,674,106	10,630,826	1,832,663	3,210,617
Assets held for sale	3,847,206	-	-	3,847,206
Investment property	5,894,893	-	-	5,894,893
<u>Derivative financial assets and liabilities</u>				
Liabilities:				
Financial liabilities at fair value through profit or loss	127,018	-	127,018	-

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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Assets and liabilities	June 30, 2025			
	Total	Quoted prices in active markets for identical assets (1st Tier)	Significant other observable inputs (2nd Tier)	Significant unobservable inputs (3rd Tier)
Repeatable fair value measurement				
<u>Non-derivative financial assets and liabilities</u>				
<u>Assets:</u>				
Financial assets at fair value through profit or loss				
Stock Investment	\$ 8,037,436	8,037,436		
Other	7,801,372	7,685,671	80,145	35,556
Financial assets at fair value through other comprehensive income				
Stock Investment	1,530,084	-	-	1,530,084
Bond Investment (Note 1)	12,958,955	8,581,266	1,282,291	3,095,398
Assets held for sale	3,828,204	-	-	3,828,204
Investment property	5,904,590	-	-	5,904,590
<u>Derivative financial assets and liabilities</u>				
Financial assets at fair value through profit or loss	204,952	-	204,952	-
<u>Liabilities:</u>				
Financial liabilities at fair value through profit or loss	12,255	-	12,255	-

Note 1: Includes securities serving as government bond, corporate bonds and financial bonds of refundable deposits.

2) Valuation techniques of fair value measurement

a) Financial instruments

If there is a public quote in an active market for the financial instrument such as the market price announced by Taiwan Stock Exchange or Taipei Exchange, the theoretical price of central government bonds and the net asset value of funds from Securities Investment Trust and Consulting Association of the R.O.C., the market price is regarded as the fair value of the financial instrument. The fair value of some financial instruments are obtained from the quote or model valuation techniques of the trade counterparties. The fair value derived from valuation techniques can be calculated by applying models with reference to the present fair value of other substantially similar financial instruments, discounted cash flow method or other valuation techniques (including accessible market data such as yield curve of Taipei Exchange). Regarding financial instruments with higher complexity, the Group measures the fair values with the quote of the trade counterparties or by purchased or self-developed valuation models using valuation methods or techniques widely accepted in the industry.

The method and assumptions the Group applies when estimating the fair value of financial instrument are as follows: If there is a quoted price in an active market, the market price is the fair value. The fair value of investments without active market, might include domestic or foreign financial bonds, corporate bonds, beneficiary certificates and preferred stocks, is determined per the order below (1) OTC yield rate/clean price or the fair value of corporate bonds (2) Quote or model price from the trade counterparties.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The fair value of derivative financial instruments is the price which the Group should receive or pay assuming it terminates the contracts on the balance sheet date. Generally, it includes the unrealized profit or loss of the unsettled contracts in the period. The valuation of the Group's derivative financial instruments is based on valuation model commonly used by the public such as Discounted Cash Flow Method. the Group valuate FX forward contracts with simple cash discounted method and the spot exchange rate on the balance sheet day. Which could also refer to the quotes of the trade counterparties.

b) Non-financial instruments

The determination of the fair value of investment properties(including investment property classified as assets held for sale) is, in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Companies, based on the accreditation of professional appraisal institutions. The appraisal institutions conduct the accreditation with the support of market evidence. Please refer to Note 6(f) for further information.

3) Adjustment of fair value

All valuation models have their limits and may not be able to reflect all relevant factors of the financial instruments possessed by the Group. Therefore, the estimates of the valuation models may be adjusted based on additional parameters. Because the fair value valuation models of the Group are equipped with verification procedures, the valuation adjustment is adequate and necessary. The price information and parameters used in the valuation process are assessed with prudence and are adjusted based on current market status.

4) Transfers between Level 1 and Level 2

For the six months ended June 30, 2026, investment instruments measured at fair value through other comprehensive income with a carrying amount of \$397,774 thousand were transferred from first tier to second tier because activeness of source is lower than original.

For the six months ended June 30, 2025, there were no transfers of financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss from first tier to second tier or vice versa.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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5) Changes of the third-tier financial assets

Changes of financial assets categorized in the third tier

Name	For the six months ended June 30, 2026							Balance at the end of the year
	Balance at the beginning of the year	Valuation profit or loss		Increase		Decrease		
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transfer to the 3rd tier from other tiers	Sale, disposal or settlement	Transferring to other tiers from the 3rd tier	
Financial assets measured at fair value through profit or loss	\$ 30,271	(1,794)	-	-	-	3,865	-	24,612
Financial assets measured at fair value through other comprehensive income	4,808,495	(4,138)	72,488	300,000	400,000	211,668	-	5,365,177
Assets held for sale	3,847,206	3	-	-	-	-	-	3,847,209
Investment property	5,894,893	1,526	(387)	-	676	-	9,300	5,887,408
Total	\$ 14,580,865	(4,403)	72,101	300,000	400,676	215,533	9,300	15,124,406

Name	For the six months ended June 30, 2025							
	Balance at the beginning of the year	Valuation profit or loss		Increase		Decrease		Balance at the end of the year
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transfer to the 3rd tier from other tiers	Sale, disposal or settlement	Transferring to other tiers from the 3rd tier	
Financial assets measured at fair value through profit or loss	\$ 39,734	(3,031)	-	-	-	1,147	-	35,556
Financial assets measured at fair value through other comprehensive income	4,623,746	-	(257,827)	-	300,000	40,437	-	4,625,482
Assets held for sale	3,360,133	(4,630)	-	-	472,701	-	-	3,828,204
Investment property	6,373,912	(3,156)	(463)	-	6,998	-	472,701	5,904,590
Total	\$ 14,397,525	(10,817)	(258,290)	-	779,699	41,584	472,701	14,393,832

For the six months ended June 30,

	2026	2025
For the valuation profit or loss recognized in current profit or loss, the change of unrealized profit or loss which can be attributed to the assets and liabilities possessed by the Group	\$ <u><u>(4,403)</u></u>	<u><u>(10,817)</u></u>
For the valuation profit or loss recognized in other comprehensive income, the changes of unrealized profit or loss which can be attributed to the assets and liabilities possessed by the Group	\$ <u><u>72,101</u></u>	<u><u>(258,290)</u></u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 6) Quantified information of the fair value measurement of significant unobservable inputs (the third tier).

The financial instruments which are classified as third tier are including FVTPL, FVOCI and investment property. In accordance with the Regulations Governing Preparation of Financial and Operational Reports, the fair value of investment property (including investment property classified as assets held for sale) is determined by professional appraisal institutions based on market evidence. (The details please refer to Note 6(f)). Because the relationship between significant unobservable inputs and the fair value cannot be fully controlled, as of June 30, 2026, December 31 and June 30, 2025, the fair value without quantified information for disclosure is \$3,682,575 thousand, \$3,241,193 thousand and \$3,131,064 thousand, respectively. Quantitative information about the significant unobservable inputs are as follows:

June 30, 2026					
Item	Fair value	Valuation technique	Significant unobservable inputs	Interval (Average)	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income	\$ 1,707,214	Asset-based approach	Discount for the lack of liquidity	0%~10% (6.25%)	The estimated fair value would increase (decrease) if: • the discount for the lack of liquidity were lower (higher); or • the non-controlling interest discount were lower (higher) .
			Non-controlling interest discount	0%~20% (8.75%)	
		Market-based approach — comparable companies	Discount for the lack of liquidity	25%	The estimated fair value would increase(decrease) if: • the discount for the lack of liquidity were lower (higher); or • the price-to-book ratio were higher (lower).
			Price-to-book ratio	3.3	
Assets held for sale	3,847,209	Note 6(f)			
Investment property	5,887,408	Note 6(f)			
December 31, 2025					
Item	Fair value	Valuation technique	Significant unobservable inputs	Interval (Average)	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income	\$ 1,597,573	Asset-based approach	Discount for the lack of liquidity	0%~10% (6.25%)	The estimated fair value would increase (decrease) if: • the discount for the lack of liquidity were lower (higher); or • the non-controlling interest discount were lower (higher) .
			Non-controlling interest discount	0%~20% (8.75%)	
		Market-based approach — comparable companies	Discount for the lack of liquidity	25%	The estimated fair value would increase (decrease) if: • the discount for the lack of liquidity were lower (higher); or • the price-to-book ratio were higher (lower).
			Price-to-book ratio	3.3	
Assets held for sale	3,847,206	Note 6(f)			
Investment property	5,894,893	Note 6(f)			

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June 30, 2025					
Item	Fair value	Valuation technique	Significant unobservable inputs	Interval (Average)	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through other comprehensive income	\$ 1,529,974	Asset-based approach	Discount for the lack of liquidity	0%~10% (6.25%)	The estimated fair value would increase (decrease) if: • the discount for the lack of liquidity were lower (higher); or • the non-controlling interest discount were lower (higher) .
			Non-controlling interest discount	0%~20% (8.75%)	
		Market-based approach — comparable companies	Discount for the lack of liquidity	25%~50% (38%)	The estimated fair value would increase (decrease) if: • the discount for the lack of liquidity were lower (higher); or • the price-to-book ratio were higher (lower).
			Price-to-book ratio	2.4~3.5 (2.95)	
Assets held for sale	3,828,204	Note 6(f)			
Investment property	5,940,590	Note 6(f)			

7) Valuation procedure of the third-tier inputs

When the Group's fair value measurement uses both unobservable inputs and observable inputs which need a significant adjustment based on the parameters of unobservable inputs, the asset or liability is categorized into third tier. The third-tier inputs come from:

- a) Prices referring from the professional finance information providers (Bloomberg), which are not different for each acquirer despite having a low activeness of source and which shall be acquired by specific facility.
- b) Prices referring from quoted prices of the counter party or evaluation agency. Price information is provided on a monthly or a quarterly basis and shall be kept properly. Valuation shall be reviewed regularly to ensure the consistency with reference pricing source and the reasonability of the valuation.
- c) Self-built complex model to evaluate the price of debt instruments, the model is highly complex, and the relevant parameters may not be directly taken from the open market.
- d) Prices referring from the evaluation of equity investment using market method or assets method.

Investment property(including investment property classified as assets held for sale) is appraised by professional appraisers in accordance with the valuation techniques announced by the FSC.

8) Sensitivity analysis of the third-tier fair value if reasonably possible alternative assumptions used

The fair value measurement of financial instruments and investment properties(including investment property classified as assets held for sale) is reasonable. Because of the inability to comprehensively manage the relationship between significant unobservable inputs and fair value, the Group does not perform alternative or sensitivity analysis for the items that are partially categorized as Level 3 and are not valued by the Group.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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The remaining financial instruments valued by the model developed by the Group are zero coupon callable bonds and cumulated perpetual subordinated debts. Because the parameters used in the valuation of these financial instruments are directly or indirectly obtained from open market information, there is no need to conduct sensitivity analysis, which might replace the assumptions.

(iii) Financial instruments not measured at fair value

1) Fair value information

Except those listed in the table below, for financial instruments not measured at fair value, such as cash and cash equivalents, receivables, reinsurance contract assets, accounts payable and other financial liabilities, the carrying amount is a reasonable approximation of the fair value. Therefore, the Group does not disclose the fair value.

Item	Book value	Fair value
June 30, 2026		
Financial assets		
Financial assets measured at amortized cost	\$ 5,909,369	4,609,458
December 31, 2025		
Financial assets		
Financial assets measured at amortized cost	1,721,690	1,361,074
June 30, 2025		
Financial assets		
Financial assets measured at amortized cost	1,615,515	1,270,228

2) Fair value information

		June 30, 2026		
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (1st Tier)	Significant other observable inputs (2nd Tier)	Significant unobservable inputs (3rd Tier)
Financial assets:				
Financial assets measured at amortized cost	\$ 4,609,458	3,233,329	640,172	735,957

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2025		
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (1st Tier)	Significant other observable inputs (2nd Tier)	Significant unobservable inputs (3rd Tier)
Financial assets:				
Financial assets measured at amortized cost	\$ 1,361,074	-	381,586	979,488

		June 30, 2025		
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (1st Tier)	Significant other observable inputs (2nd Tier)	Significant unobservable inputs (3rd Tier)
Financial assets:				
Financial assets measured at amortized cost	\$ 1,270,228	-	558,707	711,521

3) Value method

The assumption and the methods of estimating financial instruments not measured at fair value used by the Group are as follows:

- a) The fair value of short-term financial commodity is estimated by the carrying amount of balance sheet. The carrying amount is the reasonable basis to estimate the fair value, because the maturity date of the commodity is near. The method applied on cash and equivalent cash, accounts receivables, current tax asset, guarantee deposits paid, accounts payables, current tax liability and other financial liabilities.
- b) If investments assets measured at amortized cost have transaction price or quotes of the market makers, use the recent transaction price and quotes as the basis of estimating fair value. If without market value, discounted cash flow method or the quotes of the counterparties are used to calculate fair value or the quoted prices of the counter party.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Financial risk information

(i) Risk management system

1) The organization structure of risk management

The board of directors is ultimately responsible for the risk management of the Group. Other relevant departments include Establishment of Risk Management Committee and Independent Risk Management Department. The general manager acts as the coordinator in the committee who appoints the vice coordinator, executive secretary and the conveners and members of each group. The difference between the groups of the committee is nature of the risks. In the fifth session 18th board meeting taking place on August 22, 2013, the Board resolved to establish a position of Director of Risk Management who is in charge of the risk management of the company and participates in the Company's important decision making to execute risk management.

2) Objectives and policies of the risk management

The risk management policy of the Group include risk management strategy and objective, risk management organization and responsibility, main types of risk, risk appetite, and risk management operation and documentation. This policy is intended to define the overall organization structure, to ensure that the Company shall maximize shareholder's value, to improve confidence level of the insured, and to ensure the corporate image. The objective of risk management is established to conform to related regulations from authority and to achieve business objectives.

The Risk management procedures include risk identification, risk measurement, risk processing, risk monitoring, risk responding and information, communication and documentation. In addition, the Group established management principles and regulated measurement and assessment methods in terms of primary risks such as market risk, liquidity risk, credit risk, operation risk and insurance risk and provides risk reports to monitor various risks regularly.

With respect to information, communication and documentation, the risk management of the Group ensure the timeliness, reliability and security of the information and discloses information per different tiers to make sure that each competent authority fully understands and complies with relevant regulations. Furthermore, risk management papers and reports are documented, undated and preserved under appropriate delegation.

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(ii) Risk management process, and principles of measurement and control

1) Credit risk

Credit risk is the risk the Group would suffer from the loss due to the downgrade of borrower's credit rating or borrower failing to make payments, the counterparty's failure or refusing to meet its obligation. The risk includes but not limited to the following risks: the credit risk of the issuer, the counterparty and the underlying assets.

Credit risk mainly comes from the trading of financial instruments generated from operating activity of the Group. The Group decreases the probability of a larger loss resulting from any single credit risk event due to the over concentration of the portfolios through regular analysis and monitoring, as follows:

a) Management process of credit risk

i) Risk identification

The Group's management process of credit risk could identify the existing and potential risk, analyze the source of the major risk of the operation and the product, and plan proper control system.

ii) Risk measurement

When measuring credit risk, the Group considers the factors including the content of contracts, the condition of the market, securities or guarantees, the variation of the future probable risk of the counterparty and evaluating the risk in asset portfolios with credit risk except for individual risk. Also, by collecting related information of credit rating, the Group analyzes and quantitatively measures the credit risk in accordance with the level of business and practical settlement methods and calculate the credit risk capital based on the rules stipulated by the authority. For AC, FVOCI and other credit position, depending on the practical settlement methods, the Company measures the credit risk by referring to the expected loss formula ($ECL = EAD \times PD \times LGD$).

iii) Risk monitoring

Based on the process of risk monitoring established, the Group reviews and monitors the credit limits and the condition of exceeding the limit regularly with proper disposition. Through proper and monitoring frequent and hierarchical control system, the responsible person could submit the report by related rules when finding mistakes and unusual events. When the relevant unit gets aware of significant credit risk event, it should notify risk management department of the Group by email and deal with the problem according to Fubon Financial Holding's guidelines related to the reporting of significant credit risk event to control the timeliness of the dealing process.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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iv) Risk responding

When an event of credit risk occurs, the head of any related unit involved or who has authority to deal with the event would respond to the event immediately, and report to risk management department by following authorization table of the Group. Afterwards, the reason of the event would be investigated, the remediation plan would be developed and the progress of actions would be followed.

b) Credit risk management mechanism

Credit risk management mechanism includes:

i) Credit risk management before transaction:

Before the Group engaged in investment and transaction activities, a completed evaluation and analysis will be performed on subject of investments and transactions, issuer, credit and financial position information of counterparty and guarantee agency and it also will confirm the legality of the transaction. Meanwhile, the Group will confirm if transaction counterparty, issuer and guarantee agency exceed credit limits. In case of involving in the decision-making process of complex structured instrument, the Group should follow the authorization level related to credit risk management and have proper notification process and operating activities.

ii) Management of credit limit by hierarchy:

Considering the complexity and characteristics of the investment assets, the Group sets credit hierarchical management system and manages them by different hierarchy, including the following:

1. By counterparty, issuer and guarantee agency, set credit limit and manage by different hierarchy.
2. By country, set credit limit and manage hierarchically.

Besides, it will reexamine credit limit when inside or outside economic circumstances have changed severely.

iii) Credit risk management after transaction:

1. Examine credit status periodically: Periodically review the overall credit market conditions to understand trends in the credit markets and get an early warning to credit risk. Also periodically examine credit status of counterparty, issuer and guarantee agency to fully reveal their risk situation.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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2. Control credit risk limit by each position: Measure credit exposure amount monthly, compare with authorized credit risk limit and monitor the risk. Classification of the measuring credit exposure amount of the Group include: counterparty, issuer, guarantee agency, country and commodity. According to different business characteristics, the Group takes individual or portfolio management approach to review the changes in credit status in connection with the transaction balance or position periodically.

c) Concentration of credit risk

In order to control the asset concentration risk, there are limits for single transactions and total transaction amounts with each counterparty, to ensure the risk is under control to certain degree.

i) Concentration of credit risk - district

June 30, 2026						
By area	Taiwan	Rest of Asia	North America	Central and South America	Europe	Total
Exposure amount	\$ 55,573,174	5,358,287	14,543,920	-	1,664,787	77,140,168
Ratio of the total	72.04 %	6.95 %	18.85 %	- %	2.16 %	100.00 %
December 31, 2025						
By area	Taiwan	Rest of Asia	North America	Central and South America	Europe	Total
Exposure amount	\$ 47,424,478	4,971,879	10,307,988	-	1,467,023	64,171,368
Ratio of the total	73.90 %	7.75 %	16.06 %	- %	2.29 %	100.00 %
June 30, 2025						
By area	Taiwan	Rest of Asia	North America	Central and South America	Europe	Total
Exposure amount	\$ 38,734,473	4,222,535	7,679,240	-	851,913	51,488,161
Ratio of the total	75.23 %	8.20 %	14.92 %	- %	1.65 %	100.00 %

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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d) Credit risk exposure

Under IFRS 9 and IAS 32, maximum credit risk exposure (without considering collateral or other credit enhancements instruments) is carrying value deducted by expected credit loss.

Non-Derivatives Financial Instruments	June 30, 2026	
	Book value	Maximum credit risk exposure
Financial assets:		
Cash and cash equivalents	\$ 16,052,922	16,052,922
Receivables	2,102,320	2,102,320
Current tax assets	5,636,482	5,636,482
Financial assets at fair value through profit or loss	7,282,598	7,282,598
Financial assets at amortized cost	5,909,369	5,909,369
Other financial assets	59,322	59,322
Financial assets at fair value through other comprehensive income	41,223,488	41,223,488
Insurance contract assets	201,468	201,468
Reinsurance contract assets	26,690,961	26,690,961
Other assets	1,740,379	1,740,379
Financial liabilities:		
Accounts payable	4,861,953	4,861,953
Current tax liabilities	1,090,660	1,090,660
Insurance Contract liabilities	75,074,248	75,074,248
Reinsurance Contract liabilities	447,306	447,306
Lease liabilities	220,913	220,913
Other liabilities	91,524	91,524
Derivatives Financial Instruments		
Financial liabilities:		
Financial liabilities at fair value through profit or loss	\$ 54,334	54,334

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Non-Derivatives Financial Instruments	December 31, 2025	
	Book value	Maximum credit risk exposure
Financial assets:		
Cash and cash equivalents	\$ 14,735,949	14,735,949
Receivables	1,803,463	1,803,463
Current tax assets	4,052,453	4,052,453
Financial assets at fair value through profit or loss	24,696,503	24,696,503
Financial assets at amortized cost	1,721,690	1,721,690
Other financial assets	101,683	101,683
Financial assets at fair value through other comprehensive income	16,833,450	16,833,450
Insurance contract assets	52,678	52,678
Reinsurance contract assets	28,119,638	28,119,638
Other assets	1,646,615	1,646,615
Financial liabilities:		
Accounts payable	4,759,389	4,759,389
Current tax liabilities	342,844	342,844
Insurance Contract liabilities	72,883,829	72,883,829
Reinsurance Contract liabilities	180,710	180,710
Lease liabilities	329,200	329,200
Other liabilities	94,320	94,320
Derivatives Financial Instruments		
Financial liabilities:		
Financial liabilities at fair value through profit or loss	\$ 127,018	127,018

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Non-Derivatives Financial Instruments	June 30, 2025	
	Book value	Maximum credit risk exposure
Financial assets:		
Cash and cash equivalents	\$ 13,244,079	13,244,079
Receivables	1,960,201	1,960,201
Current tax assets	3,834,642	3,834,642
Financial assets at fair value through profit or loss	15,838,808	15,838,808
Financial assets at amortized cost	1,615,515	1,615,515
Other financial assets	128,613	128,613
Financial assets at fair value through other comprehensive income	14,053,603	14,053,603
Insurance contract assets	40,850	40,850
Reinsurance contract assets	32,009,717	32,009,717
Other assets	1,572,697	1,572,697
Financial liabilities:		
Accounts payable	4,086,249	4,086,249
Current tax liabilities	177,393	177,393
Insurance Contract liabilities	73,432,845	73,432,845
Reinsurance Contract liabilities	220,702	220,702
Lease liabilities	406,787	406,787
Other liabilities	89,157	89,157
Derivatives Financial Instruments		
Financial assets:		
Financial assets at fair value through profit or loss	\$ 204,952	204,952
Financial liabilities:		
Financial liabilities at fair value through profit or loss	12,255	12,255

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e) Credit quality analysis

The Group periodically follows credit rating information issued by credit rating agency, and based on the rating, classified as low risk, moderate risk and high risk as following table:

- i) Low risk: The issuers or the counterparties are rated as robust or above to fulfill their obligation of the contracts. Even under various negative news or disadvantageous economic conditions, the companies are capable of dealing with the situations.
- ii) Medium risk: The issuers or the counterparties have lower capability of fulfilling their obligation. Negative news or disadvantageous economic conditions may weaken their financial statuses and result in the doubt of asset impairment or the loss of Fubon Insurance and its subsidiaries.
- iii) High risk: The possibility that the issuers or counterparties fulfill their obligation is remote and mainly relies on the business environment. Negative news or disadvantageous economic conditions will lower their ability and willingness to fulfill their obligation.
- iv) The impaired items represent the amount of loss allowance provided for financial assets based on the regulations of accounting standards. Under the principle of prudence, the impaired amount is able to reflect the current value of the impaired assets. The information of credit quality is as follow:

June 30, 2026											
12-month ECL				Lifetime ECL (not credit-impaired financial assets)				Lifetime ECL (credit-impaired financial assets)	Impairment allowance	Total	
Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal				
Financial assets at fair value through other comprehensive income — debt instruments	\$ 21,783,617	-	-	21,783,617	-	-	-	-	-	-	21,783,617
Financial assets at amortized cost	5,912,429	-	-	5,912,429	-	-	-	-	-	3,060	5,909,369
Total	<u>\$ 27,696,046</u>	<u>-</u>	<u>-</u>	<u>27,696,046</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,060</u>	<u>27,692,986</u>
December 31, 2025											
12-month ECL				Lifetime ECL (not credit-impaired financial assets)				Lifetime ECL (credit-impaired financial assets)	Impairment allowance	Total	
Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal				
Financial assets at fair value through other comprehensive income — debt instruments	\$ 15,674,106	-	-	15,674,106	-	-	-	-	-	-	15,674,106
Financial assets at amortized cost	1,722,283	-	-	1,722,283	-	-	-	-	-	593	1,721,690
Total	<u>\$ 17,396,389</u>	<u>-</u>	<u>-</u>	<u>17,396,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593</u>	<u>17,395,796</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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June 30, 2025											
12-month ECL				Lifetime ECL (not credit-impaired financial assets)				Lifetime ECL (credit-impaired financial assets)			
	Low risk	Medium risk	High risk	Subtotal	Low risk	Medium risk	High risk	Subtotal	Lifetime ECL (credit-impaired financial assets)	Impairment allowance	Total
Financial assets at fair value through other comprehensive income—debt instruments	\$ 12,958,955	-	-	12,958,955	-	-	-	-	-	-	12,958,955
Financial assets at amortized cost	1,616,071	-	-	1,616,071	-	-	-	-	-	556	1,615,515
Total	<u>\$ 14,575,026</u>	<u>-</u>	<u>-</u>	<u>14,575,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>556</u>	<u>14,574,470</u>

Note: The Group does not purchase new impairment financial assets.

For all notes receivable, accounts receivable and due from reinsurances and ceding companies, the Group applies the simplified approach to estimate the expected credit impairment, the analysis is as follows:

June 30, 2026					
	Current	1 to 30 days past due	31 to 90 days past	More than 90 days past	Total
Expected credit loss rate	0.01%	0.01%	0.01%	0.01%~100%	
Gross carrying amount	\$ 779,399	130,858	-	-	910,257
Loss allowance provision	105	17	-	-	122

December 31, 2025					
	Current	1 to 30 days past due	31 to 90 days past	More than 90 days past	Total
Expected credit loss rate	0.04%	0.04%~100%	0.04%	0.04%~100%	
Gross carrying amount	\$ 807,548	115,737	40	-	923,325
Loss allowance provision	303	136	-	-	439

June 30, 2025					
	Current	1 to 30 days past due	31 to 90 days past	More than 90 days past	Total
Expected credit loss rate	0.04%	0.04%	0.04%	0.04%~100%	
Gross carrying amount	\$ 768,091	117,255	-	-	885,346
Loss allowance provision	289	44	-	-	333

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- f) Determining the credit risk has increased significantly since initial recognition
- i) If it is determined that the credit risk of a financial instrument at the reporting date is low, it can be assumed that the credit risk of the financial instrument has not increased significantly since the date of initial recognition. Judgment criteria: external credit rating above investment grade (BBB-).
 - ii) At each reporting date, the Group assessed all the financial instruments applicable for IFRS 9 to determine whether the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Group considers reasonable and supportable information (including forward-looking information) that is indicative of significant increases in credit risk since initial recognition. The criteria include external credit rating, overdue status, credit spreads, and other market information related to the issuers or debtors.

- g) Definitions of default and credit-impaired financial assets

The definition of a financial asset default is the same as the assessment of a credit impairment in a financial asset. When one or more of the following events are met, the financial assets are credit-impaired.

- i) Quantitative indicators: When accounts receivable of financial assets are overdue for more than 90 days, it is determined that the financial assets have been credit-impaired.
- ii) Qualitative indicators: If there is evidence that the issuer or the debtor will be unable to pay the contract, or has significant financial difficulties, such as:
 - 1. the issuers or debtors are bankrupt or probably going to enter bankruptcy or financial reorganization;
 - 2. the contracts of other financial instruments of issuers or debtors have been default;
 - 3. The financial market for the financial asset disappeared due to the financial difficulties of the issuers or the debtors;
 - 4. The purchase or origination of a financial asset at a considerable amount of discount that reflects the incurred credit losses.
- iii) The above definition of default and credit impairment applies to all financial assets held by the Group and is consistent with the definition of the relevant financial assets used for internal credit risk management purposes and is also used in the relevant impairment assessment model.
- iv) If a financial asset no longer meets the definition of default and credit-impaired for six consecutive months, it is deemed to return to the state of compliance and is no longer considered to be a financial asset that has been default or credit-impaired.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

h) Measuring the expected credit losses

i) The methods and assumptions

If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group shall measure the allowance for impairment of the financial instrument using the 12-month expected credit losses; if the credit risk on a financial instrument has increased significantly since initial recognition, the Group shall measure the allowance for impairment using the lifetime expected credit losses.

In order to measure expected credit losses, the Group considers the default probability (Probability of default, "PD") of financial assets or issuers or debtors, and loss given default rate ("LGD") multiplying the exposure at default ("EAD"), taking into account the time value of money as well evaluate 12-month and lifetime loss.

Default probability is the probability that the issuers' or the debtors' defaults, and the loss given default rate is the rate of loss caused by default by the issuers or debtors. The relevant indicators used by the Group are based on the default rate and loss given default rate published by Moody's.

The Group measures the Exposure at default based on the amortized cost of financial instruments plus accrued interest. At reporting date, the Group assesses the expected change in default risk during the life time of the financial instrument to determine if the credit risk has increased significantly since the initial recognition. The rules for determination are as follows: The financial instruments have the original rating, and at the reporting date is a non-investment grade, and it falls not more than one notch from the originally obtained.

ii) Consideration of forward-looking information

The Group obtains forward-looking information which it takes into consideration when determining whether the credit risk of financial instruments have increased significantly since initial recognition and assessing the expected credit losses. The default probability used for impairment assessment of the Group is based on the information which already includes forward-looking general economic information published by Moody's.

iii) For the six months ended June 30, 2026, there were no significant changes in evaluation techniques or material assumptions used in the measurement of expected credit losses.

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iv) The changes in allowance for credit losses:

1. The changes in allowance for credit losses- investment in debt instruments measured at fair value through other comprehensive income.

For the six months ended June 30, 2026				
	12-month ECL	Lifetime ECL (assessed on collective)	Lifetime ECL (assessed on individual)	The provision of impairment in accordance with IFRS 9
Beginning balance	\$ 8,918	-	-	8,918
Effects of retrospective application and restatement	(2,620)	-	-	(2,620)
Beginning balance after adjustments	6,298	-	-	6,298
Changes in financial instruments that have been identified at the beginning of the period:				
— The financial assets that have been derecognized	(323)	-	-	(323)
Originated or purchased new financial assets	909	-	-	909
Foreign exchange and other movement	1,595	-	-	1,595
Ending balance	<u>\$ 8,479</u>	<u>-</u>	<u>-</u>	<u>8,479</u>

For the six months ended June 30, 2025				
	12-month ECL	Lifetime ECL (assessed on collective)	Lifetime ECL (assessed on individual)	The provision of impairment in accordance with IFRS 9
Beginning balance	\$ 6,881	-	8,912	15,793
Changes in financial instruments that have been identified at the beginning of the period:				
— Transfer to 12-month expected credit losses	8,912	-	(8,912)	-
— The financial assets that have been derecognized	(122)	-	-	(122)
Originated or purchased new financial assets	209	-	-	209
Foreign exchange and other movement	(8,258)	-	-	(8,258)
Ending balance	<u>\$ 7,622</u>	<u>-</u>	<u>-</u>	<u>7,622</u>

2. The changes in allowance for credit losses- Investment in debt instruments at amortized cost.

For the six months ended June 30, 2026				
	12-month ECL	Lifetime ECL (assessed on collective)	Lifetime ECL (assessed on individual)	The provision of impairment in accordance with IFRS 9
Beginning balance	\$ 593	-	-	593
Effects of retrospective application and restatement	2,620	-	-	2,620
Opening balance as restated	3,213	-	-	3,213
Changes in financial instruments that have been identified at the beginning of the period:				
Foreign exchange and other movement	(153)	-	-	(153)
Ending balance	<u>\$ 3,060</u>	<u>-</u>	<u>-</u>	<u>3,060</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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	For the six months ended June 30, 2025			
	12-month ECL	Lifetime ECL (assessed on collective)	Lifetime ECL (assessed on individual)	The provision of impairment in accordance with IFRS 9
Beginning balance	\$ 602	-	-	602
Foreign exchange and other movement	(46)	-	-	(46)
Ending balance	<u>\$ 556</u>	<u>-</u>	<u>-</u>	<u>556</u>

2) Liquidity risk

Liquidity risk is divided into two types: “market liquidity risk” and” funding liquidity risk.” The Group monitored liquidity risk in compliance with its risk management rules. Funding liquidity risk is the risk that the entity cannot provide sufficient funding to meet the needs for the growth of asset level and the settlement of the obligation of matured liabilities, which caused late payment to counterparties or called for an emergency fund raising requirement to cover the funding gaps. Market liquidity risk is the loss incurred as a market participant unable to easily exit a position on a prevailing market price or to liquidate a position immediately while not hitting the best price due to insufficiency of market depth or market transparency, or market failure.

a) Management process of liquidity risk

i) Risk identification

To achieve liquidity risk management goal, the Group identified potential liquidity risk factors encountered during operation process. Those risk factors were such as funding liquidity risk factors, market liquidity risk factors and characteristics of products being traded.

ii) Risk measurement

The Group measured the possibility of occurrence and the degree of negative impact of risk events and risk factors by qualitative or quantitative method and compared these influences with risk limits set by the management which was used as a basis for the setting of the priority in risk control and the response measures subsequently.

iii) Risk monitoring

The Group will periodically monitor the outcome of the afore-mentioned model and test the accuracy of parameters and assumptions being used. established liquidity risk monitoring procedure to review and monitor utilization of various risk limits monthly. An action would be taken if the risk limits are breached. The Group has established proper monitoring frequency and hierarchical reporting mechanism to deal with whenever there is any abnormal situation occurred or deficiency identified. A specific reporting procedure would be followed to ensure the timely response to significant liquidity risk.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

iv) Risk responding

As liquidity risk occurs, the head of any related unit being impacted or relevant unit with the authority to deal with the event would respond to the event immediately, and report to risk management and related departments in accordance with the established authorization. Afterwards, every related unit would work with risk management department to investigate the underlying reason for the event, and develop a remediation plan, and risk management department would monitor the progress of the follow up actions.

b) Liquidity risk management mechanism

- i) Management strategy of funding liquidity risk in operation and investment were as follows: ensure balance of capital inflow and outflow, examine and predict capital demand at present and in the future in accordance with strategies of operational management and investment activities, establish critical indicators of funding liquidity risk, and make appropriate adjustment with business strategy and market condition.

The Group manages the liquidity risk efficiently in two aspects, short-term and medium long term. Besides setting the percentage of liquid assets in total assets and the net everyday cash flow as standards of measurement and control, the Group has already established the immediate cash using information system, using proper market monetary instruments or foreign exchange instruments to allocate daily cash. Medium-long term liquidity management decreases related risk through annual reviewing on the assessment report of using assets and liabilities and applying the model of cash flow analysis to monitor the using of assets and liabilities.

- ii) For the liquidity risk management in the market, consider the transaction volume mainly, the strategy of sales development and the target of budget, according to the market size, dimension and market liquidity of every product, to set the key indicators of the liquidity risk in the market. For lower liquidity products, avoiding the occurrence liquidity risk, the Group controls the transaction amount and the transaction conditions in every transaction.
- iii) The Group established complete risk management system to deal with the mass demand of cash in abnormal or urgent condition. Monitoring daily net cash flow, the Group established immediate cash flow estimation system and preserved proper amount of equivalent cash for future response. Financial department and accounting office provide risk management department with the condition of cash liquidity monthly, while risk management department also regularly reviews the limitation of market liquidity risk and it should inform the risk management committee with the indicators of the market liquidity risk and the management of the limitation. If the management indicator approaches the limitation, it should enhance the intention of the capital variation.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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Possessing sufficient operating capital, government bonds and other securities to satisfy the capital demand in investment, pay liabilities matured and execute contracts' obligation, the Group confront low liquidity in compliance with rules.

iv) The maturity analysis is as follows:

		June 30, 2026						
		less than one year	1 to 3 year	3 to 5 year	5 to 10 year	10 to 20 year	more than 20 years	no maturity date
		Total						
The maturity analysis of financial assets								
Financial assets measured at fair value through other comprehensive income	\$	876,029	1,756,582	1,499,519	6,025,584	984,290	-	10,641,613
Financial assets measured at amortized cost		-	-	-	58,487	2,655,676	3,195,206	-
	\$	<u>876,029</u>	<u>1,756,582</u>	<u>1,499,519</u>	<u>6,084,071</u>	<u>3,639,966</u>	<u>3,195,206</u>	<u>10,641,613</u>
								<u>27,692,986</u>
		December 31, 2025						
		less than one year	1 to 3 year	3 to 5 year	5 to 10 year	10 to 20 year	more than 20 years	no maturity date
		Total						
The maturity analysis of financial assets								
Financial assets measured at fair value through other comprehensive income	\$	199,495	2,485,098	1,360,067	4,205,048	2,782,586	1,638,925	3,002,887
Financial assets measured at amortized cost		-	-	-	64,152	314,412	1,343,126	-
	\$	<u>199,495</u>	<u>2,485,098</u>	<u>1,360,067</u>	<u>4,269,200</u>	<u>3,096,998</u>	<u>2,982,051</u>	<u>3,002,887</u>
								<u>17,395,796</u>
		June 30, 2025						
		less than one year	1 to 3 year	3 to 5 year	5 to 10 year	10 to 20 year	more than 20 years	no maturity date
		Total						
The maturity analysis of financial assets								
Financial assets measured at fair value through other comprehensive income	\$	200,054	1,943,685	882,765	2,193,864	3,024,137	1,878,368	2,836,082
Financial assets measured at amortized cost		-	-	-	66,248	298,978	1,250,289	-
	\$	<u>200,054</u>	<u>1,943,685</u>	<u>882,765</u>	<u>2,260,112</u>	<u>3,323,115</u>	<u>3,128,657</u>	<u>2,836,082</u>
								<u>14,574,470</u>

3) The maturity analyses of derivative assets and liabilities

All of the forward rate contracts and swap contracts are not held for trading, but mainly for avoiding the foreign exchange rate risk generated from the foreign investment capital. Being high liquidity monetary, whose probability of being unable to sale in the market is extremely small, the liquidity risk of the currency held is low. Matured forward rate contracts and swap contracts almost will be continued and there is enough capital for settlement. Therefore, the liquidity risk of the capital is low. The maturity analysis of derivative financial instruments is as follows:

		June 30, 2026				
		less than one year	1 to 3 year	3 to 5 year	5 to 10 year	no maturity date
		Total				
The maturity analysis of financial assets		\$ -	-	-	-	-
The maturity analysis of financial liabilities		\$ 54,334	-	-	-	-
						54,334

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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		December 31, 2025				
		less than one year	1 to 3 year	3 to 5 year	5 to 10 year	no maturity date
The maturity analysis of financial assets		\$ -	-	-	-	-
The maturity analysis of financial liabilities		\$ 127,018	-	-	-	-
		June 30, 2025				
		less than one year	1 to 3 year	3 to 5 year	5 to 10 year	no maturity date
The maturity analysis of financial assets		\$ 204,952	-	-	-	-
The maturity analysis of financial liabilities		\$ 12,255	-	-	-	-

- 4) A separate maturity analysis is provided for groups of insurance contracts issued that are liabilities and groups of reinsurance contracts held that are liabilities, presenting the net cash flows of each group by year for at least five years from the reporting date and in aggregate for periods thereafter exceeding five years (the impact of including subsidiaries in the consolidated disclosures has been assessed as immaterial; therefore, no separate disclosure for subsidiary data is presented).

		Years After the Balance Sheet Date					
June 30, 2026		1 Year	2 Years	3 Years	4 Years	5 Years	6 Years and Over
Reinsurance Contract Groups Held that are Liabilities	\$	227,060	177,192	38,374	20,067	11,528	10,455
Insurance Contract Groups Issued that are Liabilities	\$	26,745,764	9,102,701	1,040,960	356,271	215,981	271,013
		Total					
		484,676					
		37,732,690					
		Years After the Balance Sheet Date					
December 31, 2025		1 Year	2 Years	3 Years	4 Years	5 Years	6 Years and Over
Reinsurance Contract Groups Held that are Liabilities	\$	192,653	104,521	57,589	6,505	7,614	8,658
Insurance Contract Groups Issued that are Liabilities	\$	27,253,625	7,630,235	2,330,942	(145,196)	174,232	337,726
		Total					
		377,540					
		37,581,564					
		Years After the Balance Sheet Date					
June 30, 2025		1 Year	2 Years	3 Years	4 Years	5 Years	6 Years and Over
Reinsurance Contract Groups Held that are Liabilities	\$	6,624	5,165	1,728	377	187	285
Insurance Contract Groups Issued that are Liabilities	\$	26,417,064	10,102,372	1,758,089	(33,277)	43,901	357,818
		Total					
		14,366					
		38,645,967					

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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5) Market risk

Market risk is the risk of financial instruments' fair value or future cash flow fluctuating in a given period resulting from unfavorable changes in the market prices. To prevent the occurrence of market risk, the management has set a monitor system based on the internal management policies and relevant regulations. Moreover, the Group also established a sound crisis response mechanism to deal with emergency or abnormal event.

a) Management process of market risk

i) Risk identification

To achieve market risk management goal, the Group identified potential market risk factors encountered during operation process. Positions held by the Group in different financial instruments were classified into four categories, mainly interest, foreign exchange rate, equity security and commodity, according to accounting standards.

ii) Risk measurement

1. Establish a risk quantification model, adopting basic statistical measurement, sensitivity analysis and scenario analysis etc., for different risk factors to measure market risk.
2. The risk measurement model is closely integrated with daily risk management. Analyze outcome from the risk model for better market risk planning, supervision and control.
3. Measure possible losses from the holding position daily under normal market fluctuation and perform stress testing monthly.
4. Evaluate accuracy of the risk model by retroactive testing or other methodologies, when adopting statistical method to measure market risk.

iii) Risk monitoring

The Group established market risk monitoring procedure to review and monitor utilization of various risk limits monthly. An action would be taken if the risk limit is breached. The Group has established proper monitoring frequency and hierarchical reporting mechanism to ensure proper reporting whenever there is any abnormal situation occurred or any deficiency identified. A specific reporting procedure would be followed to ensure the control of timing in dealing with significant market risk.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

iv) Risk responding

As market risk occurs, the head of any related unit being impacted or in charge unit with relevant authority would respond to the event immediately, and report to risk management and related departments based on the established authorization. Afterwards, every related unit would work with risk management department to investigate the underlying reason for the risk event, develop a remediation plan, and risk management department would monitor the progress of the follow up actions.

b) Concentration of market risk

The mainly counterparty and buyer of financial instruments of the Group were financial industry. There were rules about limitation of the government bonds, fixed income bonds, bonds, convertible bonds, funds, stocks, derivative financial instruments, structured notes and bond securitization products to control the risk.

c) Market risk management mechanism

i) Risk tolerance management

Risk tolerance refers to the maximum amount of risk an entity is willing to withstand. Market risk tolerance is submitted to and approved by the risk management committee annually.

ii) Risk limit management

Establishment of risk limits is to put risk tolerance management into practice. Risk limits for different financial products were made by trading position, investment position and hedging position separately. When setting risk limits, various factors were taken into account, such as risk tolerance, business history, expected budget target, market liquidity of a specific product, historical utilization of risk limits, traders' trading experiences, trading system and supports by the operation department. The amendment of risk limits should be approved in advance by the Company's risk department; after being signed and authorized through internal delegation, it is then submitted to the risk management committee for review before being presented to the Board of Directors for approval. Under system support, the Group's limits include VaR and foreign exchange risk.

iii) Valuation management

Commodity was evaluated based on the market value if it is available. If the market value is not readily available, the product value will be calculated by the latest market price, quotation from the counterparty or valuation model.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

d) Risk value model

Risk value is a statistical estimate of probable worst outcome during normal fluctuation. The Group used value at risk (VaR) model to measure the potential maximum loss in value of an investment portfolio at risk over a period of ten days for a 99% confidence interval with respect to different market factors.

The Group applied retroactive testing which provides estimates of the accuracy of VaR model to check whether a VaR methodology is being used appropriately, completely and accurately in measuring the potential maximum loss in value of an investment portfolio. The retroactive testing procedure consists of calculating the number or percentage of times that the actual portfolio returns fall outside the VaR estimate. A VaR was computed over a period of one year with reconciled profit and loss on a daily basis. The Group will periodically monitor the outcome of the aforementioned model and test the accuracy of parameters and assumptions being used.

i) The Company

Common VaR	June 30, 2026		
	Average	Highest	Lowest
Fixed income group	\$ 296,018	355,333	200,042
Equity group	2,909,772	3,552,910	1,878,942
Fund group	118,048	226,488	42,186
Asset securitization group	31,145	36,207	23,309
Total position	2,969,551	3,731,815	1,767,645

Common VaR	December 31, 2025		
	Average	Highest	Lowest
Fixed income group	\$ 393,143	688,558	294,313
Equity group	1,860,696	2,586,326	967,639
Fund group	26,438	51,962	5,124
Asset securitization group	26,520	61,350	18,208
Total position	2,001,793	2,793,318	919,314

Common VaR	June 30, 2025		
	Average	Highest	Lowest
Fixed income group	\$ 415,059	688,558	294,784
Equity group	1,564,343	2,528,259	967,639
Fund group	12,232	33,771	5,124
Asset securitization group	27,040	42,015	18,208
Total position	1,726,372	2,772,801	919,314

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ii) Subsidiary - Fubon P&C Insurance Co., Ltd

Common VaR	June 30, 2026		
	Average	Highest	Lowest
Fixed income group	\$ 13,765	35,651	11,516
Equity group	43,976	60,942	31,013
Total position	53,477	96,752	36,537

Common VaR	December 31, 2025		
	Average	Highest	Lowest
Fixed income group	\$ 8,848	20,191	6,385
Equity group	50,499	67,066	28,740
Total position	56,161	74,020	35,128

Common VaR	June 30, 2025		
	Average	Highest	Lowest
Fixed income group	\$ 7,171	20,191	6,458
Equity group	52,337	63,648	45,061
Total position	58,275	74,020	50,815

Note 1: VaR was adopted from January 1 to June 30, 2026, and January 1 to December 31, 2025 and January 1 to June 30, 2025.

Note 2: VaR was computed over a period of ten days.

The subsidiaries in Vietnam, Thailand, Philippines and Labuan don't need to disclose the information of VaR due to the absence of investment position.

e) The risks of interest rates

The risks of interest rates of the Group mainly come from short-term borrowings with floating interest rates. In order to reduce the impact of interest rate fluctuations on future cash flows, the Group regularly evaluates the borrowing interest rates of banks to avoid cash flow risks caused by changes in market interest rates.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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(iii) Transfer of financial assets

Among the routine operational transactions, the Group's financial assets that are not derecognized in their entirety are mostly loaned equity securities under securities lending agreement. In such transactions, the contractual rights to the cash flows from the assets has been transferred to other parties and the Group reflects the associated financial liabilities of repurchasing the equity securities loaned at fixed prices in future periods. Since the Group is not allowed to use, sell, or pledge the transferred financial assets during the effective period of the agreement, the financial assets are not derecognized in their entirety, but the Group still bears the risks of interest rates and credit loans. The analysis of the financial assets that are not derecognized in their entirety and the relevant information of the financial liabilities are below:

As of June 30, 2026, December 31 and June 30, 2025, the Group did not have any transferred financial assets that have not been derecognized in their entirety.

(iv) Offsetting financial assets and financial liability

The Group has some offsetting condition not following the standards but has signed some commitments or similar protocol specification with counterparty. If it settles on a net basis, financial assets and financial liabilities can be offset to settle. If not, it settles on a total basis. But if anything against commitment occurs, another party of the transaction can choose to settle on a net basis. The details are as follows:

June 30, 2026						
Financial asset which available offset master netting arrangement or similar agreement standard						
	Total recognized financial assets	Total recognized financial liability has offset in financial statement	Net recognized financial assets (c)=(a)-(b)	Not offset amount in financial statement (d)		Total (e)=(c) (d)
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Collateralized cash	
Derivative financial instruments	\$ -	-	-	-	-	-

June 30, 2026						
Financial liability which available offset master netting arrangement or similar agreement standard						
	Total recognized financial liability	Total recognized financial asset has offset in financial statement	Net recognized financial liability (c)=(a)-(b)	Not offset amount in financial statement (d)		Total (e)=(c) (d)
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Collateralized cash	
Derivative financial instruments	\$ 54,334	-	54,334	-	-	54,334

December 31, 2025						
Financial asset which available offset master netting arrangement or similar agreement standard						
	Total recognized financial assets	Total recognized financial liability has offset in financial statement	Net recognized financial assets (c)=(a)-(b)	Not offset amount in financial statement (d)		Total (e)=(c) (d)
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Collateralized cash	
Derivative financial instruments	\$ -	-	-	-	-	-

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2025						
	Financial liability which available offset master netting arrangement or similar agreement standard					
	Total recognized financial liability	Total recognized financial asset has offset in financial statement	Net recognized financial liability	Not offset amount in financial statement		Total
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Collateralized cash	(e)=(c) (d)
Derivative financial instruments	\$ 127,018	-	127,018	-	-	127,018

June 30, 2025						
	Financial asset which Available offset Master netting arrangement or similar agreement standard					
	Total recognized financial assets	Total recognized financial liability has offset in financial statement	Net recognized financial assets	Not offset amount in financial statement		Total
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Collateralized cash	(e)=(c) (d)
Derivative financial instruments	\$ 204,952	-	204,952	12,255	-	192,697

June 30, 2025						
	Financial liability which Available offset Master netting arrangement or similar agreement standard					
	Total recognized financial liability	Total recognized financial asset has offset in financial statement	Net recognized financial liability	Not offset amount in financial statement		Total
	(a)	(b)	(c)=(a)-(b)	Financial instruments	Collateralized cash	(e)=(c) (d)
Derivative financial instruments	\$ 12,255	-	12,255	12,255	-	-

(ab) Capital Management

The objectives of capital management of the Group are to ensure the ability of going concern to realize the benefit of shareholders, protect the interests of the other stakeholders, and maintain an optimal capital structure to reduce the cost of funds. In order to maintain or adjust the structure of Capital, the Group may adjust the dividends paid to shareholders, deduct capital by returning cash to stockholders, issue new shares, or sell assets to pay the liabilities.

The Group controls the capital based on the liabilities to capital ratio, calculated as the company's net liabilities divided by its total capital. Net liabilities include total liabilities minus cash and Cash and Cash equivalents. Total capital consists of the components of equity, such as Common stock, Capital surplus - additional paid-in capital, Retained earnings, Other equity, and Non-controlling interest, and Net liabilities.

As of June 30, 2026, the method of capital management of the Group remains the same.

(ac) Structured entities not included in the consolidated financial statements

- (i) The Group possesses the equities of the following structured entities which are not included in the consolidated financial statements. The fund is from the Group and an outside third party:

<u>Types of structured entity</u>	<u>Characteristic and purpose</u>	<u>Equity owned by the Group</u>
Private equity fund	Invests in funds that cannot be traded in a public market	Invests in the fund units issued by the funds or limited partnership equity
Assets securitization products	Invests in assets securitization products of commercial real estate and financial asset beneficiary securities	Asset-backed securities issued by the entity

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
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- (ii) The carrying amount of the assets related to the structured entities recognized by the Group but not yet included in the consolidated financial statements on June 30, 2026, December 31 and June 30, 2025, is as follows:

June 30, 2026	Private equity fund	Asset securitization products
Assets possessed by the Group		
-Financial assets at fair value through profit or loss	\$ 24,274	74,338
-Financial assets at fair value through other comprehensive income	-	805,565
-Financial assets at amortized cost	-	58,487
Total assets possessed by the Group	<u>\$ 24,274</u>	<u>938,390</u>
December 31, 2025	Private equity fund	Asset securitization products
Assets possessed by the Group		
-Financial assets at fair value through profit or loss	\$ 29,695	913,849
-Financial assets at fair value through other comprehensive income	-	207,729
-Financial assets at amortized cost	-	64,152
Total assets possessed by the Group	<u>\$ 29,695</u>	<u>1,185,730</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>June 30, 2025</u>	<u>Private equity fund</u>	<u>Asset securitization products</u>
Assets possessed by the Group		
-Financial assets at fair value through profit or loss	\$ 34,898	1,110,465
-Financial assets at fair value through other comprehensive income	-	259,315
-Financial assets at amortized cost	-	66,248
Total assets possessed by the Group	<u>\$ 34,898</u>	<u>1,436,028</u>

The maximum exposure of the possible loss from the entity is the carrying amount of the assets possessed.

- (iii) The Group did not provide any financial support for the private equity funds and the asset securitization products not included in the consolidated financial statements for the six months ended June 30, 2026 and 2025.

- (ad) Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow for the six months ended June 30, 2026 and 2025 were as follows:

- (i) For details of right-of-use assets under leases, please refer to Note 6(e).
(ii) Reconciliation of liabilities arising from financing activities were as follows:

	<u>For the six months ended June 30, 2026</u>	<u>For the six months ended June 30, 2025</u>
	<u>Lease Liabilities</u>	<u>Lease Liabilities</u>
Beginning balance	\$ 329,200	467,693
Cash flows from financing activities		
Payment of lease liabilities	(124,451)	(119,157)
Net cash flows from financing activities	(124,451)	(119,157)
Effect of exchange rate changes	1,214	(4,308)
Others		
Other changes related to liabilities		
Sign/ update lease contracts	15,151	62,809
Interest expense	5,165	8,090
Interest payment	(5,366)	(8,340)
Net change related to liabilities	14,950	62,559
Ending balance	<u>\$ 220,913</u>	<u>406,787</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-party transactions:

(a) Names and relationship of related parties

<u>Name of Related Party</u>	<u>Relationship with the Group</u>
Fubon Financial Holding Co., Ltd.	Parent Company
Fubon Life Insurance Co., Ltd.	Company controlled by Fubon Financial Holdings
Taipei Fubon Commercial Bank Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Securities Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Insurance Agency Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Sports & Entertainment Co., Ltd.	Company controlled by Fubon Financial Holdings
LINE Bank Taiwan Limited	Investments accounted for using equity method by Parent Company
Fubon Bank (China) Co., Ltd.	Investments accounted for using equity method by Parent Company
Xiamen Bank Co., Ltd.	Investments accounted for using equity method by Parent Company
Star Shining Energy Co., Ltd.	Investments accounted for using equity method by Parent Company
JihSun Securities Investment Trust Co., Ltd.	An investee company, previously recognized under the equity method by a subsidiary of Fubon Financial Holding Co., Ltd., was dissolved upon its merger with Fubon Asset Management Co., Ltd. on April 1, 2025.
Taipei City Government	A major stockholder of Fubon Financial Holding Co.,Ltd.
Momo.com Inc.	Related parties in substance
Fubon Property Management Co., Ltd.	Related parties in substance
Funds Managed by Fubon Asset Management (Note)	Related parties in substance
Fubon Charity Foundation	Related parties in substance
Fubon Cultural and Educational Foundation	Related parties in substance
Taiwan Mobile Co., Ltd.	Related parties in substance
Taiwan High Speed Rail Corporation	Related parties in substance
Taipei New Horizon Co, Ltd.	Related parties in substance
Taihsin Property Insurance Agent Co., Ltd.	Related parties in substance
Taiwan Business Bank, Ltd.	Related parties in substance
TCC Group Holdings Co.,Ltd.	Related parties in substance
USI CORPORATION	Related parties in substance
Taiwan Fixed Network Co., Ltd.	Related parties in substance
Winbond Electronics Corporation	Related parties in substance
KBRO Media Co., Ltd.	Related parties in substance

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Related Party	Relationship with the Group
Alpha Networks Inc.	Related parties in substance
Lion Travel Service Co., Ltd.	Related parties in substance
Prince Housing & Development Corp.	Related parties in substance
Star Shining Energy Holdings Corporation	Related parties in substance
INVENTEC CORPORATION	Related parties in substance
HON HAI PRECISION INDUSTRY CO., LTD.	Related parties in substance
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	Related parties in substance
Acer Incorporated	Related parties in substance
WIN Semiconductors Corp.	Related parties in substance
WeMo Corporation	Related parties in substance
HD Renewable Energy Co., Ltd.	Related parties in substance
China United Property Insurance Company Limited	Related parties in substance
CTBC Securities Co., Ltd.	Related parties in substance
Other related parties	Directors, supervisors, managers, and their relatives up to the second degree, affiliates and the related parties in substance.

Note: The Group re-identified related parties in accordance with the Accounting Research and Development Foundation' s IFRS Q&A, " Clarification on the Identification of Related Parties," issued on June 16, 2025, and determined that the Funds managed by Fubon Asset Management are not related parties. In accordance with the Securities and Futures Bureau' s Q&A issued on July 11, 2025, the Group did not restate comparative period information nor retrospectively adjust previously identified and disclosed related party relationships and transactions.

(b) Significant transactions with related parties are as follows:

(i) Deposits

Names of related parties	June 30, 2026		December 31, 2025		June 30, 2025	
	Ending balance	Interest rate range%	Ending balance	Interest rate range%	Ending balance	Interest rate range%
Taipei Fubon Commercial Bank Co., Ltd.	\$ 1,565,298	0.05~0.66	2,419,403	0.10~0.66	2,016,225	0.10~0.66
Xiamen Bank Co., Ltd.	265,203	0.10	132,094	0.10	239,540	0.10
Taiwan Business Bank, Ltd.	-	-	40,328	0.71	41,367	0.71
Fubon Bank (China) Co., Ltd.	8,173	0.05	13,896	0.10	1,866	0.10
	<u>\$ 1,838,674</u>		<u>2,605,721</u>		<u>2,298,998</u>	

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Financial instruments

Names of funds	June 30, 2026	December 31, 2025	June 30, 2025
Funds Managed by Fubon Asset Management	\$ -	-	229,208

The balance of the fund's balance of Fubon REIT I Fund and Fubon REIT II Fund was as follows:

Names of funds	June 30, 2026	December 31, 2025	June 30, 2025
Fubon REIT I Fund	\$ 513,557	526,872	628,847
Fubon REIT II Fund	366,346	386,977	481,618
	<u>\$ 879,903</u>	<u>913,849</u>	<u>1,110,465</u>

(iii) Accounts receivable

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Financial Holding Co., Ltd.	\$ 84,433	3,107	-
Fubon Life Insurance	3,237	3,234	12,393
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	243	546	473
	<u>\$ 87,913</u>	<u>6,887</u>	<u>12,866</u>

(iv) Due from reinsurance and ceding companies

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
China United Property Insurance Company Limited	\$ 31,811	28,893	56,238

(v) Consolidated Tax Return System

Commencing from 2002, Fubon Financial Holding Co., Ltd., as the parent company, is the taxpayer for the consolidated income tax return. Income tax receivables and payables are recognized as current tax assets and current tax liabilities, respectively.

	June 30, 2026	December 31, 2025	June 30, 2025
Consolidated tax return receivable	\$ 5,636,482	4,051,866	3,834,642
Consolidated tax return payable	\$ 945,723	263,094	70,365

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Refundable deposits

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Life Insurance Co., Ltd.	\$ 41,246	41,246	41,246
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	2,879	2,911	2,911
	<u>\$ 44,125</u>	<u>44,157</u>	<u>44,157</u>

(vii) Prepayments

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	\$ <u>5,463</u>	<u>4,257</u>	<u>4,639</u>

(viii) Due to reinsurance and ceding companies

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
China United Property Insurance Company Limited	\$ <u>20,959</u>	<u>23,096</u>	<u>57,929</u>

(ix) Accounts payable

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Taipei Fubon Commercial Bank	\$ 10,046	9,118	9,108
Fubon Life Insurance Co., Ltd.	334,133	332,020	608,243
Fubon Insurance Agency Co., Ltd.	330,315	281,183	282,193
Taihsin Property Insurance Agent Co., Ltd.	40,047	703	35,831
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	7,224	5,731	16,661
	<u>\$ 721,765</u>	<u>628,755</u>	<u>952,036</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(x) Advance receipts

<u>Names of related parties</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon Sports & Entertainment Co., Ltd.	\$ 1,403	1,317	1,317
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	1,641	1,346	1,615
	<u>\$ 3,044</u>	<u>2,663</u>	<u>2,932</u>

(xi) Other income

<u>Names of related parties</u>	<u>Type</u>	<u>For the three months ended June 30,</u>	
		<u>2026</u>	<u>2025</u>
Fubon Life Insurance Co., Ltd.	Joint marketing fee and miscellaneous	\$ 12,929	4,334
China United Property Insurance Company Limited	Reinsurance premium and reinsurance commission revenue	35,096	26,583
Others (not related company or person accounts for more than \$10,000 thousand or 10%)		3,616	4,678
		<u>\$ 51,641</u>	<u>35,595</u>

<u>Names of related parties</u>	<u>Type</u>	<u>For the six months ended June 30,</u>	
		<u>2026</u>	<u>2025</u>
Fubon Life Insurance Co., Ltd.	Joint marketing fee and miscellaneous	\$ 21,458	8,747
China United Property Insurance Company Limited	Reinsurance premium	64,282	55,055
Others (not related company or person accounts for more than \$10,000 thousand or 10%)		4,433	5,745
		<u>\$ 90,173</u>	<u>69,547</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xii) Expenses

1) Retained claim payment

Names of related parties	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Taiwan Mobile Co., Ltd.	\$ 62,837	69,596	134,313	140,346
China United Property Insurance Company Limited	18,956	23,409	44,073	53,960
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	16,533	6,189	27,249	9,604
	<u>\$ 98,326</u>	<u>149,614</u>	<u>205,635</u>	<u>203,910</u>

2) Donation expense

Names of related parties	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Fubon Charity Foundation	\$ 2,230	8,054	2,230	8,054
Fubon Cultural and Educational Foundation	2,441	1,554	2,441	1,554
	<u>\$ 4,671</u>	<u>5,302</u>	<u>4,671</u>	<u>9,608</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Other expenses

<u>Names of related parties</u>	<u>Type</u>	<u>For the three months ended June 30,</u>	
		<u>2026</u>	<u>2025</u>
Fubon Life Insurance Co., Ltd.	Joint marketing, premium and interest	\$ 345,955	316,498
Taipei Fubon Commercial Bank Co., Ltd.	Joint marketing, commission, charges, interest and central registry public bonds	89,676	78,219
Fubon Securities Co., Ltd.	Joint marketing, charges, securities lending service fees and interest	5,889	-
Fubon Insurance Agency Co., Ltd.	Joint marketing, commission and interest	189,307	156,837
Taiwan Fixed Network Co., Ltd.	Rental, maintenance fee, telecom communication service and interest	21,889	7,654
Taiwan Mobile Co., Ltd.	Maintenance fee, telecom communication service, operating service, interest and advertisement	12,473	8,597
Fubon Property Management Co., Ltd.	Management service and interest	5,405	5,479
Taihsin Property Insurance Agent Co., Ltd.	Commission	157,432	105,097
China United Property Insurance Company Limited	Reinsurance Commission and Reinsurance Premium	12,538	11,962
Others (not related company or person accounts for more than \$10,000 thousand or 10%)		4,687	10,733
		<u>\$ 845,251</u>	<u>701,076</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Names of related parties	Type	For the six months ended June 30,	
		2026	2025
Fubon Life Insurance Co., Ltd.	Joint marketing, premium	\$ 685,115	632,817
Taipei Fubon Commercial Bank Co., Ltd.	Joint marketing, commission, charges and central registry public bonds	175,735	155,200
Fubon Securities Co., Ltd.	Joint marketing, charges ,securities lending service fees and interest	13,339	6,228
Fubon Insurance Agency Co., Ltd.	Joint marketing, commission	392,945	325,549
Taiwan Fixed Network Co., Ltd.	Rental, maintenance fee, telecom communication service and interest	21,889	16,130
Taiwan Mobile Co., Ltd.	Maintenance fee, telecom communication service, operating service, interest and advertisement	22,885	17,720
Fubon Property Management Co., Ltd.	Management service and interest	10,440	10,424
Taihsin Property Insurance Agent Co., Ltd.	Commission	305,548	238,207
China United Property Insurance Company Limited	Reinsurance commission	34,221	24,832
Others (not related company or person accounts for more than \$10,000 thousand or 10%)		22,858	25,302
		\$ 1,684,975	1,452,409

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xiii) Premium receivables and Premium

1) Premium receivables

Names of related parties	June 30, 2026	December 31, 2025	June 30, 2025
Taipei Fubon Commercial Bank Co., Ltd.	\$ 14,817	21,090	12,324
Fubon Life Insurance Co., Ltd.	103,611	7,227	101,523
Taipei City Government	146,959	59,582	109,545
Momo.com Inc.	2,494	24,591	1,061
Taipei New Horizon Co, Ltd..	-	15,460	-
Winbond Electronics Corporation	581	25,203	119
KBRO Media Co., Ltd.	15,049	4,024	15,695
USI CORPORATION	52,459	5,306	53,297
Star Shining Energy Co., Ltd.	-	-	19,784
INVENTEC CORPORATION	18,789	-	-
HON HAI PRECISION INDUSTRY CO., LTD.	74,762	-	-
EVERGREEN MARINE CORPORATION (TAIWAN) LTD.	20,355	-	-
Acer Incorporated	66,311	-	-
Star Shining Energy Holdings Corporation	16,890	-	-
WIN Semiconductors Corp.	55,611	-	-
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	56,697	41,834	48,468
	<u><u>\$ 645,385</u></u>	<u><u>204,317</u></u>	<u><u>361,816</u></u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Premium

Names of related parties	For the three months ended June 30,	
	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	\$ 25,829	30,976
Fubon Life Insurance Co., Ltd.	102,270	101,499
Momo.com Inc.	326	(177)
Fubon Securities Co., Ltd.	18,388	7,079
Taiwan Mobile Co., Ltd.	24,389	39,513
Taiwan High Speed Rail Corporation	339	1,141
Taipei City Government	297,896	133,900
Prince Housing & Development Corp.	-	50,399
CTBC Securities Co., Ltd.	-	27
KBRO Media Co., Ltd.	15,985	13,148
LINE Bank Taiwan Limited	11,654	11,844
Alpha Networks	18,214	24,387
StarShining Energy Corporation	-	19,784
Lion Travel Service Co., Ltd.	12,522	5,438
TCC Group Holdings Co., Ltd.	4,020	4,509
Winbond Electronics Corporation	5,448	(735)
WeMo Corporation	15,591	-
HD Renewable Energy Co., Ltd.	22,007	-
Acer Incorporated	28,132	-
Star Shining Energy Holdings Corporation	16,865	-
WIN Semiconductors Corp.	54,257	-
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	45,097	58,784
	\$ 719,229	501,516

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Names of related parties	For the six months ended June 30,	
	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	\$ 196,972	199,266
Fubon Life Insurance Co., Ltd.	115,330	114,418
Momo.com Inc.	61,653	65,081
Fubon Securities Co., Ltd.	18,388	15,060
Taiwan Mobile Co., Ltd.	37,712	44,053
Winbond Electronics Corporation	7,846	14,975
Taiwan High Speed Rail Corporation	105,802	100,391
Taipei City Government	318,089	187,206
Prince Housing & Development Corp.	-	51,158
CTBC Securities Co., Ltd.	-	11,868
KBRO Media Co., Ltd.	15,985	13,846
LINE Bank Taiwan Limited	11,654	12,004
Alpha Networks Inc.	18,214	26,010
Lion Travel Service Co., Ltd.	12,522	10,810
TCC Group Holdings Co., Ltd.	51,643	35,367
StarShining Energy Corporation	-	19,784
WeMo Corporation	15,591	-
HD Renewable Energy Co., Ltd.	22,007	-
Acer Incorporated	28,132	-
Star Shining Energy Holdings Corporation	16,865	-
WIN Semiconductors Corp.	54,257	-
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	104,923	101,878
	<u><u>\$ 1,213,585</u></u>	<u><u>1,023,175</u></u>

The terms of transactions were similar to those of non-related parties.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(xiv) Lease

1) Lease from related parties

a) Right-of-use assets

<u>Names of related parties</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon Life Insurance Co., Ltd.	\$ 83,592	157,778	233,194
Fubon REIT II Fund	7,181	11,330	15,444
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	9,731	13,822	7,596
	<u>\$ 100,504</u>	<u>182,930</u>	<u>256,234</u>

b) Lease liabilities

<u>Names of related parties</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon Life Insurance Co., Ltd.	\$ 90,849	173,050	253,673
Fubon REIT II Fund	7,469	11,708	15,761
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	10,294	14,603	8,403
	<u>\$ 108,612</u>	<u>199,361</u>	<u>277,837</u>

2) Lease to related parties

a) Guarantee deposit received

<u>Names of related parties</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 21,052	21,052	21,052
Fubon Life Insurance Co., Ltd.	22,916	22,916	22,836
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	15,842	15,554	15,484
	<u>\$ 59,810</u>	<u>59,522</u>	<u>59,372</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

b) Rental revenue (recorded as gains on investment property)

Names of related parties	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	20,502	20,516	40,671	40,705
Fubon Life Insurance Co., Ltd.	22,198	22,123	44,019	43,872
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	15,840	15,582	31,307	30,974
	<u>\$ 58,540</u>	<u>58,221</u>	<u>115,997</u>	<u>115,551</u>

All the above rental revenue were operating leases. The leasing term was not materially different from that with unrelated parties.

(xv) Acquisition of property and equipment

Names of related parties	For the six months ended June 30,	
	2026	2025
Others (not related company or person accounts for more than \$10,000 thousand or 10%)	<u>\$ 2,558</u>	<u>2,357</u>

(c) Major management remuneration information

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Short term employee benefits	\$ 45,927	38,525	86,417	73,479
Retirement benefit	583	563	1,139	1,053
Other long-term employee benefits	542	399	953	772
	<u>\$ 47,052</u>	<u>39,487</u>	<u>88,509</u>	<u>75,304</u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(8) Assets pledged as security:

- (a) As of June 30, 2026, December 31 and June 30, 2025, the assets pledged or mortgaged were as follows:

Pledged Assets	Purpose of pledge	June 30, 2026	December 31, 2025	June 30, 2025
Time deposit	Guarantee for the insurance business and performance bond	\$ 1,178,846	1,088,168	1,014,643
Government bonds	Guarantee for the insurance business	438,043	438,534	435,436
Properties	Bank loans (Note)	-	229,179	1,007,215
Investment properties	Bank loans (Note)	-	2,027,518	4,719,759
Asset held for sale	Bank loans (Note)	-	586,000	586,000
Total		\$ 1,616,889	4,369,399	7,763,053

Note: The bank loan agreement expired in December 2025, and the real estate mortgage was released in January 2026.

- (b) Pursuant to the requirements of Articles 141 and 142 of the Insurance Act, government bonds with book value of \$438,043 thousand, \$438,534 thousand and \$435,436 thousand as of June 30, 2026, December 31 and June 30, 2025, respectively, were deposited with the Central Bank of the Republic of China as guarantee for the insurance business.

(9) Commitments and contingencies:

- (a) The Group had several insurance lawsuits and was required to pay indemnities of \$606,399 thousand, of which approximately \$352,420 thousand were reinsured. The claim had been accrued. These cases remain pending before the courts as of June 30, 2026.
- (b) The unfunded commitments for the Group's signed private equity agreements (Unit: thousand dollars):

	June 30, 2026	December 31, 2025	June 30, 2025
USD	\$ 13,979	13,808	13,130
EUR	\$ 6,969	12,648	12,036

Note: The unfunded commitments exclude transactions that had been notified but had not yet settled.

- (c) As of June 30, 2026, the contract price of the new construction is \$2,794,394 thousand, and the unpaid amount is \$565,618 thousand.

(10) Significant losses due to major disasters: None

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(11) Significant subsequent events: None

(12) Other:

(a) A summary of personnel expenses, depreciation, depletion and amortization:

	For the three months ended June 30,							
	2026				2025			
	Operating Costs	Operating Expenses	Operating Expenses	Total	Operating Costs	Operating Expenses	Operating Expenses	Total
Personal expenses:								
Salaries	1,107,310	213,411	98,041	1,418,762	908,527	237,624	83,179	1,229,330
Insurance	68,293	23,405	6,544	98,242	63,428	21,279	7,895	92,602
Pension	24,036	7,392	3,501	34,929	26,172	7,508	3,324	37,004
Remuneration of directors	-	-	4,635	4,635	-	-	4,321	4,321
Others	38,103	17,189	6,392	61,684	38,696	19,067	5,064	62,827
Depreciation	64,189	24,662	8,619	97,470	65,658	22,603	7,287	95,548
Depletion	-	-	-	-	-	-	-	-
Amortization	10,028	13,382	10,099	33,509	11,046	15,622	8,355	35,023

	For the six months ended June 30,							
	2026				2025			
	Operating Costs	Operating Expenses	Operating Expenses	Total	Operating Costs	Operating Expenses	Operating Expenses	Total
Personal expenses:								
Salaries	2,073,405	484,998	124,228	2,682,631	1,836,362	481,073	118,368	2,435,803
Insurance	133,669	45,338	15,364	194,371	129,513	43,539	13,822	186,874
Pension	52,770	15,594	7,411	75,775	52,672	15,123	6,692	74,487
Remuneration of directors	-	-	8,292	8,292	-	-	8,171	8,171
Others	76,458	36,852	11,986	125,296	76,175	35,407	10,155	121,737
Depreciation	129,168	47,556	17,369	194,093	129,558	45,891	14,232	189,681
Depletion	-	-	-	-	-	-	-	-
Amortization	20,828	27,533	20,288	68,649	22,361	30,421	15,029	67,811

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Gross Earned Premiums Retained (Compulsory Insurance):

For the three months ended June 30, 2026							
Insurance Type	Insurance Revenue from Direct Underwriting (1)	Insurance Revenue from Inward Reinsurance (2)	Allocation of Reinsurance Premiums Paid (3)	Insurance Finance Income or Expenses from Direct Underwriting, Excluding Any Loss Component (4)	Insurance Finance Income or Expenses from Inward Reinsurance, Excluding Any Loss Component (5)	Insurance Finance Income or Expenses from Reinsurance Contracts Held, Excluding Loss-Recovery Component (6)	Gross Earned Premiums Retained (7)=(1)+(2)+(3)-(4)-(5)-(6)
Compulsory third party liability insurance	\$ 1,556,124	521,864	688,223	10,768	4,007	4,771	1,379,761
For the three months ended June 30, 2025							
Insurance Type	Insurance Revenue from Direct Underwriting (1)	Insurance Revenue from Inward Reinsurance (2)	Allocation of Reinsurance Premiums Paid (3)	Insurance Finance Income or Expenses from Direct Underwriting, Excluding Any Loss Component (4)	Insurance Finance Income or Expenses from Inward Reinsurance, Excluding Any Loss Component (5)	Insurance Finance Income or Expenses from Reinsurance Contracts Held, Excluding Loss-Recovery Component (6)	Gross Earned Premiums Retained (7)=(1)+(2)+(3)-(4)-(5)-(6)
Compulsory third party liability insurance	\$ 1,523,713	341,205	674,166	11,202	3,445	4,705	1,180,810
For the six months ended June 30, 2026							
Insurance Type	Insurance Revenue from Direct Underwriting (1)	Insurance Revenue from Inward Reinsurance (2)	Allocation of Reinsurance Premiums Paid (3)	Insurance Finance Income or Expenses from Direct Underwriting, Excluding Any Loss Component (4)	Insurance Finance Income or Expenses from Inward Reinsurance, Excluding Any Loss Component (5)	Insurance Finance Income or Expenses from Reinsurance Contracts Held, Excluding Loss-Recovery Component (6)	Gross Earned Premiums Retained (7)=(1)+(2)-(3)-(4)-(5)+(6)
Compulsory third party liability insurance	\$ 3,076,106	890,471	1,364,341	19,181	7,222	8,985	2,584,818
For the six months ended June 30, 2025							
Insurance Type	Insurance Revenue from Direct Underwriting (1)	Insurance Revenue from Inward Reinsurance (2)	Allocation of Reinsurance Premiums Paid (3)	Insurance Finance Income or Expenses from Direct Underwriting, Excluding Any Loss Component (4)	Insurance Finance Income or Expenses from Inward Reinsurance, Excluding Any Loss Component (5)	Insurance Finance Income or Expenses from Reinsurance Contracts Held, Excluding Loss-Recovery Component (6)	Gross Earned Premiums Retained (7)=(1)+(2)-(3)-(4)-(5)+(6)
Compulsory third party liability insurance	\$ 3,012,727	688,410	1,318,586	19,387	7,088	10,005	2,366,081

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(c) Retained Claims of Compulsory Insurance:

For the three months ended June 30, 2026						
Insurance Type	Paid incurred claims and other insurance service expenses from direct underwriting (1)	Paid incurred claims and other insurance service expenses from assumed reinsurance (2)	Amounts received from reinsurance ceded (recoveries of claims and expenses from reinsurance contracts held) (3)	Opening balance of retained liability for incurred claims (4)	Ending balance of retained liability for incurred claims (5)	Retained loss adjustment expenses (6)=(1)+(2)-(3)-(4)+(5)
Compulsory third party liability insurance	\$ 1,303,863	294,262	629,557	(108,971)	2,141	1,079,680

For the three months ended June 30, 2025						
Insurance Type	Paid incurred claims and other insurance service expenses from direct underwriting (1)	Paid incurred claims and other insurance service expenses from assumed reinsurance (2)	Amounts received from reinsurance ceded (recoveries of claims and expenses from reinsurance contracts held) (3)	Opening balance of retained liability for incurred claims (4)	Ending balance of retained liability for incurred claims (5)	Retained loss adjustment expenses (6)=(1)+(2)-(3)-(4)+(5)
Compulsory third party liability insurance	\$ 1,245,653	314,271	647,140	-	10,064	922,848

For the six months ended June 30, 2026						
Insurance Type	Paid incurred claims and other insurance service expenses from direct underwriting (1)	Paid incurred claims and other insurance service expenses from assumed reinsurance (2)	Amounts received from reinsurance ceded (recoveries of claims and expenses from reinsurance contracts held) (3)	Opening balance of retained liability for incurred claims (4)	Ending balance of retained liability for incurred claims (5)	Retained loss adjustment expenses (6)=(1)+(2)-(3)-(4)+(5)
Compulsory third party liability insurance	\$ 2,478,680	634,702	1,324,407	2,087,541	2,179,774	1,881,208

For the six months ended June 30, 2025						
Insurance Type	Paid incurred claims and other insurance service expenses from direct underwriting (1)	Paid incurred claims and other insurance service expenses from assumed reinsurance (2)	Amounts received from reinsurance ceded (recoveries of claims and expenses from reinsurance contracts held) (3)	Opening balance of retained liability for incurred claims (4)	Ending balance of retained liability for incurred claims (5)	Retained loss adjustment expenses (6)=(1)+(2)-(3)-(4)+(5)
Compulsory third party liability insurance	\$ 2,440,054	624,242	1,345,417	2,196,512	2,231,705	1,754,072

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Disclosure of each dangerous unit's retention limit:

The details of each dangerous unit's retention limit were as follows:

- (i) Fire insurance: \$800 million.
- (ii) Marine insurance:
 - 1) Fishing vessels insurance: \$400 million.
 - 2) Marine hull insurance: \$400 million.
 - 3) Marine cargo insurance: \$400 million.
- (iii) Casualty insurance:
 - 1) General liability insurance: \$800 million.
 - 2) Professional liability insurance: \$800 million.
 - 3) Other property insurance: \$800 million.
 - 4) Fidelity and surety insurance: \$800 million.
 - 5) Accident insurance: \$800 million.
 - 6) Credit insurance: \$800 million.
 - 7) Commercial multiple-peril insurance: \$800 million.
 - 8) Personal multiple-peril insurance: \$ 100 million.
- (iv) Engineer insurance:
 - 1) Engineer insurance: \$800 million.
 - 2) Engineer bond insurance: \$800 million.
 - 3) Nuclear insurance: \$800 million.
- (v) Motor insurance:
 - 1) Physical loss insurance: \$50 million.
 - 2) Third party liability insurance (including twice the insured amount or tenfold of the insured amount): \$ 250 million.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (e) The Group's significant financial assets and liabilities denominated in foreign currencies are listed below:

		June 30, 2026		
		Amount	Rate	NT\$ Amount
<u>Financial Assets</u>				
<u>Monetary Item (Note 1)</u>				
USD	\$	348,177	31.8411	11,086,319
CNY		208,750	4.6878	978,572
EUR		20,322	36.2656	736,982
VND		877,619,468	0.0012	1,062,797
<u>Non-Monetary Item (Note 1)</u>				
CNY		637,902	4.6878	2,990,332
<u>Financial Liabilities</u>				
<u>Derivative Financial Instrument (Note 1)</u>				
USD	\$	1,706	31.8411	54,334
		December 31, 2025		
		Amount	Rate	NT\$ Amount
<u>Financial Assets</u>				
<u>Monetary Item (Note 1)</u>				
USD	\$	328,802	31.4510	10,341,152
CNY		196,273	4.5003	883,289
EUR		17,795	36.8537	655,812
VND		866,208,274	0.0012	1,036,851
<u>Non-Monetary Item (Note 1)</u>				
USD		759	31.4510	23,887
CNY		607,657	4.5003	2,734,652
<u>Financial Liabilities</u>				
<u>Derivative Financial Instrument (Note 1)</u>				
USD	\$	4,039	31.4510	127,018

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2025		
	Amount	Rate	NT\$ Amount
<u>Financial Assets</u>			
<u>Monetary Item (Note 1)</u>			
USD	\$ 302,569	29.9072	9,048,976
VND	901,985,070	0.0011	1,033,675
<u>Non-Monetary Item (Note 1)</u>			
USD	5,050	29.9072	151,026
CNY	591,098	4.1745	2,467,528
<u>Derivative Financial Instrument (Note 1)</u>			
USD	6,853	29.9072	204,952
<u>Financial Liabilities</u>			
<u>Derivative Financial Instrument (Note 1)</u>			
USD	\$ 410	29.9072	12,255

Note 1: For each period, the balance in New Taiwan Dollars after conversion in the respective currency accounts for more than 5% of the total item.

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized cost etc. that are denominated in foreign currency. A weakening (strengthening) 3% of the NTD against other foreign currencies would have increased (decreased) the net profits (losses) before tax by \$16,441 thousand, \$2,082 thousand, \$519,291 thousand and \$408,517 thousand for the three months and six months ended June 30, 2026 and 2025, respectively. This analysis assumes that all over other variables remain constant for the three months and six months ended June 30, 2026 and 2025.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months and six months ended June 30, 2026 and 2025, foreign exchange gain (loss) (including realized and unrealized portions) amounted to loss \$79,241 thousand, loss \$757,168 thousand, loss \$71,378 thousand and loss \$771,623 thousand, respectively.

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (f) The Group is expected within 12 months of the balance sheet date or exceed the total amount paid or recovered after 12 months is as following:

June 30, 2026			
Assets	Recovered within 12 months	Recovered after 12 months	Total
Cash and cash equivalents	\$ 16,052,922	-	16,052,922
Receivables	2,102,320	-	2,102,320
Current tax assets	5,636,482	-	5,636,482
Assets held for sale	3,850,200	-	3,850,200
Financial assets at fair value through profit or loss	7,282,598	-	7,282,598
Financial assets at amortized cost	-	5,909,369	5,909,369
Other financial assets, net	49,651	9,671	59,322
Financial assets at fair value through other comprehensive income	876,029	40,347,459	41,223,488
Right-of-use assets	-	225,477	225,477
Investment property	-	5,887,408	5,887,408
Insurance contract assets	198,213	3,255	201,468
Reinsurance contract assets	12,964,922	13,726,039	26,690,961
Property and equipment	-	8,390,521	8,390,521
Intangible assets	-	254,020	254,020
Deferred tax assets	91,496	4,766,386	4,857,882
Other assets	-	3,556,631	3,556,631
Total assets	<u><u>\$ 49,104,833</u></u>	<u><u>83,076,236</u></u>	<u><u>132,181,069</u></u>

June 30, 2026			
Liabilities	Paid within 12 months	Paid after 12 months	Total
Accounts payable	\$ 4,861,953	-	4,861,953
Current tax liabilities	1,090,660	-	1,090,660
Liabilities related to assets classified as held for sale	188,188	-	188,188
Financial liabilities measured at fair value through profit or loss	54,334	-	54,334
Insurance contract liabilities	54,046,157	21,028,091	75,074,248
Reinsurance contract liabilities	309,060	138,246	447,306
Lease liabilities	125,097	95,816	220,913
Deferred tax liabilities	469,400	784,650	1,254,050
Other liabilities	-	8,958,814	8,958,814
Provisions	-	580,340	580,340
Total liabilities	<u><u>\$ 61,144,849</u></u>	<u><u>31,585,957</u></u>	<u><u>92,730,806</u></u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2025			
Assets	Recovered within 12 months	Recovered after 12 months	Total
Cash and cash equivalents	\$ 14,735,949	-	14,735,949
Receivables	1,803,463	-	1,803,463
Current tax assets	4,052,453	-	4,052,453
Assets held for sale	3,850,197	-	3,850,197
Financial assets at fair value through profit or loss	24,696,503	-	24,696,503
Financial assets at amortized cost	-	1,721,690	1,721,690
Other financial assets, net	78,815	22,868	101,683
Financial assets at fair value through other comprehensive income	199,495	16,633,955	16,833,450
Right-of-use assets	-	325,542	325,542
Investment property	-	5,894,893	5,894,893
Insurance contract assets	38,201	14,477	52,678
Reinsurance contract assets	14,891,491	13,228,147	28,119,638
Property and equipment	-	8,000,004	8,000,004
Intangible assets	-	296,166	296,166
Deferred tax assets	45,492	6,607,064	6,652,556
Other assets	-	2,834,392	2,834,392
Total assets	<u><u>\$ 64,392,059</u></u>	<u><u>55,579,198</u></u>	<u><u>119,971,257</u></u>

December 31, 2025			
Liabilities	Paid within 12 months	Paid after 12 months	Total
Accounts payable	\$ 4,759,389	-	4,759,389
Current tax liabilities	342,844	-	342,844
Liabilities related to assets classified as held for sale	189,870	-	189,870
Financial liabilities measured at fair value through profit or loss	127,018	-	127,018
Insurance contract liabilities	54,055,620	18,828,209	72,883,829
Reinsurance contract liabilities	92,214	88,496	180,710
Lease liabilities	204,474	124,726	329,200
Deferred tax liabilities	452,317	775,776	1,228,093
Other liabilities	-	4,296,625	4,296,625
Provisions	-	549,439	549,439
Total liabilities	<u><u>\$ 60,223,746</u></u>	<u><u>24,663,271</u></u>	<u><u>84,887,017</u></u>

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

June 30, 2025			
Assets	Recovered within 12 months	Recovered after 12 months	Total
Cash and cash equivalents	\$ 13,244,079	-	13,244,079
Receivables	1,960,201	-	1,960,201
Current tax assets	3,834,642	-	3,834,642
Assets held for sale	3,831,195	-	3,831,195
Financial assets at fair value through profit or loss	16,043,760	-	16,043,760
Financial assets at amortized cost	-	1,615,515	1,615,515
Other financial assets, net	105,253	23,360	128,613
Financial assets at fair value through other comprehensive income	200,054	13,853,549	14,053,603
Right-of-use assets	-	390,800	390,800
Investment property	-	5,904,590	5,904,590
Insurance contract assets	28,330	12,520	40,850
Reinsurance contract assets	15,168,823	16,840,894	32,009,717
Property and equipment	-	7,598,589	7,598,589
Intangible assets	-	238,382	238,382
Deferred tax assets	351,553	7,255,519	7,607,072
Other assets	-	3,592,154	3,592,154
Total assets	<u><u>\$ 54,767,890</u></u>	<u><u>57,325,872</u></u>	<u><u>112,093,762</u></u>

June 30, 2025			
Liabilities	Paid within 12 months	Paid after 12 months	Total
Accounts payable	\$ 4,086,249	-	4,086,249
Current tax liabilities	177,393	-	177,393
Liabilities related to assets classified as held for sale	188,385	-	188,385
Financial liabilities measured at fair value through profit or loss	12,255	-	12,255
Insurance contract liabilities	50,703,761	22,729,084	73,432,845
Reinsurance contract liabilities	163,434	57,268	220,702
Lease liabilities	229,437	177,350	406,787
Deferred tax liabilities	415,767	932,601	1,348,368
Other liabilities	-	2,956,331	2,956,331
Provisions	-	641,819	641,819
Total liabilities	<u><u>\$ 55,976,681</u></u>	<u><u>27,494,453</u></u>	<u><u>83,471,134</u></u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(g) Compulsory auto liability insurance

(i) Compulsory auto liability insurance assets and liabilities

Item	Amount		Item	Amount	
	June 30, 2026	June 30, 2025		June 30, 2026	June 30, 2025
Cash and cash in bank	\$ 5,709,532	5,222,359	Insurance contract liabilities	\$ 9,646,319	9,338,524
Insurance contract assets	-	-	Reinsurance contract liabilities	-	-
Reinsurance contract assets	4,573,105	4,402,283	Other liabilities	-	-
Other receivables	-	-	Temporary receipts and suspense	203,504	87,430
Financial assets at fair value through profit or loss	-	-	Special reserve	436,021	208,133
Other assets					
Temporary payment and suspense	3,207	9,445			
Total Assets	<u>\$ 10,285,844</u>	<u>9,634,087</u>	Total Liabilities	<u>\$ 10,285,844</u>	<u>9,634,087</u>

(ii) Compulsory auto liability insurance revenues and cost

Item	For the six months ended June 30,	
	2026	2025
Insurance service result		
Insurance revenue	\$ 3,150,007	2,896,320
Insurance service expenses	(3,287,904)	(2,807,393)
Income or expenses from reinsurance contracts held	146,526	(21,485)
Total Insurance service result	8,629	67,442
Finance result		
Insurance finance income or expenses	(51,459)	(47,346)
Finance income or expenses from reinsurance contracts held	22,237	20,313
Total Finance result	(29,222)	(27,033)
Other operation result		
Other operating income - Interest income	3,438	1,021
Other operating costs - Net change in special reserves	(31,592)	(88,035)
Total Other operation result	(28,154)	(87,014)

(Continued)

FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (h) When conducting business or transaction, joint business promotion as well as information and facilities sharing with Fubon Financial Holdings Co., Ltd and other associates, the method to split income, cost, expense and profit or loss is to directly attribute them to each counterparties based on the business characteristics.
- (i) The details of the market values of investments which were held for investment purpose by the discretionary investment trust fund: None.
- (j) Information regarding to discontinued operations: None.
- (k) Material revolutions of adjustments of organization and management policy: None.
- (l) Material influence because of the regulations changed: None.
- (m) The loan because of paying large amount of claims: Please refer to Notes 6(l).
- (n) Disclosure of catastrophe reserve:

For the six months ended June 30, 2026 and 2025, the influence on the Group for not applying the notification on net income before tax, liabilities, and equity of the Group resulted in a decrease of \$0 thousand, a decrease of \$5,433,929 thousand, an increase of \$4,095,158 thousand, and a decrease of \$0 thousand, a decrease of \$314,979 thousand, an increase of \$14,890 thousand, respectively. The influence on the Group for not applying the notification both had no influence in the EPS.

- (o) Disclosure of the special reserve for resident earthquake insurance:

For the six months ended June 30, 2026 and 2025, the influence on the Group for not applying the notification on liabilities, and equity of the Group both resulted in a decrease of \$382,238 thousand and an increase of \$305,790 thousand. The influence on the Group for not applying the notification both had no influence in the EPS.

- (p) Disclosure of the special reserve for nuclear insurance:

For the six months ended June 30, 2026 and 2025, the influence on the Group for not applying the notification on liabilities and equity of the Group both resulted in a decrease of \$84,093 thousand and an increase of \$67,274 thousand.

FUBON INSURANCE CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended June 30, 2026:

(i) Acquisition of property and equipment over 100 million or 20% of capital:

(In Thousands of New Taiwan Dollars)

Company	Property Name	Occurrence Date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as the counterparty is a related party				Reference for price	Purpose and usage	Others
							Owner	Relations with the issuer	Transfer Date	Amount			
Fubon Insurance Co., Ltd.	The case of reconstruction of urban unsafe and old buildings	2019.07.24~2025.12.19	3,086,810	Paid in accordance with the project progress	DACIN Construction Co., Ltd etc.	Included related party and non-related party	No applicable	No applicable	No applicable	-	Price comparison and negotiation price & administration tax fees, etc	Handling the case of reconstruction of urban unsafe and old buildings	The transaction amount includes the management consultant contract \$27,939 thousand with a related party, Fubon Construction, and the relevant administrative tax fees of the Taipei City Government.

(ii) Disposal of property and equipment over 100 million or 20% of capital: None

(iii) Sales and purchase with related party over 100 million or 20% of capital: Please refer to Note 7.

(iv) Account receivable with related party over 100 million or 20% of capital: Please refer to Note 7.

(v) Information on derivative transactions: Please refer to note 6 (c)

(vi) The significant influence on invested company:

For the six months ended June 30, 2026

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	Fubon insurance Co., Ltd.	Fubon insurance (Vietnam) Co., Ltd	1	Due from reinsurers and ceding companies	7,094	The same as normal transaction	0.01 %
"	"	"	"	Due to reinsurers and ceding companies	1,744	"	- %
"	"	"	"	Reinsurance premium	15,944	"	0.04 %
"	"	"	"	Reinsurance commission expense	3,611	"	0.01 %
"	"	"	"	Reinsurance claim payment	5,275	"	0.01 %
"	"	Fubon P&C Insurance Co., Ltd.	"	Due from reinsurers and ceding companies	137,874	"	0.10 %
"	"	"	"	Due to reinsurers and ceding companies	171,987	"	0.13 %
"	"	"	"	Reinsurance liabilities reserve contributed	4,167	"	- %
"	"	"	"	Reinsurance premium	43,163	"	0.11 %
"	"	"	"	Reinsurance commission expense	13,601	"	0.04 %
"	"	"	"	Reinsurance claim payment	24,610	"	0.06 %
"	"	"	"	Reinsurance expense	144,375	"	0.38 %
"	"	"	"	Reinsurance commission revenue	38,581	"	0.10 %
"	"	"	"	Claims recovered from reinsurance	69,067	"	0.18 %
"	"	"	"	Interest Revenue	33	"	- %
"	"	Fubon Reinsurance Labuan Co., Ltd.	"	Due from reinsurers and ceding companies	208	"	- %
"	"	"	"	Due to reinsurers and ceding companies	12	"	- %
"	"	"	"	Reinsurance premium	2,452	"	0.01 %
"	"	"	"	Reinsurance commission expense	151	"	- %
"	"	"	"	Reinsurance claim payment	11	"	- %

(Continued)

FUBON INSURANCE CO., LTD. AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	Fubon insurance (Vietnam) Co., Ltd	Fubon insurance Co., Ltd.	2	Due to reinsurers and ceding companies	7,094	The same as normal transaction	0.01 %
"	"	"	"	Due from reinsurers and ceding companies	1,744	"	- %
"	"	"	"	Reinsurance expense	15,944	"	0.04 %
"	"	"	"	Reinsurance commission revenue	3,611	"	0.01 %
"	"	"	"	Claims recovered from reinsurance	5,275	"	0.01 %
2	Fubon P&C Insurance Co., Ltd	Fubon insurance Co., Ltd.	"	Due to reinsurers and ceding companies	137,874	"	0.10 %
"	"	"	"	Due from reinsurers and ceding companies	171,987	"	0.13 %
"	"	"	"	Reinsurance liabilities reserve contributed	4,167	"	- %
"	"	"	"	Reinsurance expense	43,163	"	0.11 %
"	"	"	"	Reinsurance commission revenue	13,601	"	0.04 %
"	"	"	"	Claims recovered from reinsurance	24,610	"	0.06 %
"	"	"	"	Reinsurance premium	144,375	"	0.38 %
"	"	"	"	Reinsurance commission expense	38,581	"	0.10 %
"	"	"	"	Reinsurance claim payment	69,067	"	0.18 %
"	"	"	"	Interest expense	33	"	- %
3	Fubon Reinsurance Labuan Co., Ltd.	Fubon insurance Co., Ltd.	"	Due to reinsurers and ceding companies	208	"	- %
"	"	"	"	Due from reinsurers and ceding companies	12	"	- %
"	"	"	"	Reinsurance expense	2,452	"	0.01 %
"	"	"	"	Reinsurance commission revenue	151	"	- %
"	"	"	"	Claims recovered from reinsurance	11	"	- %

Note 1: Each number represents the following definitions:

- (1) Zero stands for the parent company.
- (2) Subsidiaries are coded from No.1 per respective companies.

Note 2: Transaction relationship is as follows:

- (1) Parent company to subsidiary company.
- (2) Subsidiary company to parent company.
- (3) Subsidiary company to subsidiary company.

(Continued)

FUBON INSURANCE CO., LTD. AND ITS SUBSIDIARIES

Notes to the Consolidated Financial Statements

(b) Information on investees:

The followings are the information on investees for the six months ended June 30, 2026 (investment in Mainland China is not included):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2026			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2026	December 31, 2025	Shares (thousands)	Percentage of owner	Carrying value			
Fubon insurance Co., Ltd.	Fubon insurance broker (Thailand) Co., Ltd	Thailand	brokerage	4,410	4,410	48,973	48.97 %	89,541	14,791	7,244	Write off under consolidated financial statements
Fubon insurance Co., Ltd.	Fubon insurance (Vietnam) Co., Ltd	Vietnam	insurance	841,606	841,606	-	100.00 %	637,134	50,763	50,763	"
Fubon insurance Co., Ltd.	Fubon insurance broker (Philippines) Co., Ltd	Philippines	brokerage	14,260	14,260	199,994	99.99 %	30,479	(1,286)	(1,286)	"
Fubon insurance Co., Ltd.	Fubon Reinsurance Labuan Co., Ltd.	Malaysia	reinsurance	159,224	96,096	5,000,000	100.00 %	133,627	(11,091)	(11,091)	"

On August 17, 2021, a board meeting has resolved to participate in the capital injection for the subsidiary Fubon insurance broker (Thailand) Co., Ltd. The total capital injection in cash amounted to THB 4,000 thousand (the total capital of Fubon insurance broker (Thailand) Co., Ltd after the capital injection was THB 10,000 thousand), and the Company invested THB 1,958.9 thousand. The case was approved and registered by the local authorities on January 24, 2022, and that date was the base date for capital injection. As of June 30, 2026, the Company invested THB 4,897.3 thousand in total.

On July 19, 2022, the Company was approved the investment in Labuan, Malaysia to establish Fubon Reinsurance Labuan Co., Ltd., with an approved investment amount of USD 3 million by No. Jin-Guan-Bao-Cai-Zi 1110491768. On July 13, 2023, the Company obtained the Certificate of Incorporation issued by the Labuan Financial Services Authority. Fubon Reinsurance Labuan Co., Ltd. obtained a business license issued by the local authorities, and started business on January 1, 2024. On April 15, 2026, the Company's Board of Directors approved a cash capital increase of USD 2 million for Fubon Reinsurance Labuan Co., Ltd. The capital increase obtained the approval issued by No. Jin-Guan-Bao-Cai-Zi 1150420711 on May 27, 2026.

The cash dividends of VND 35,000,000 thousand, which were distributed on October 24, 2025, had been decided during the board meeting of Fubon insurance (Vietnam) Co. on March 6, 2025, with the approval of the local authority on September 10, 2025.

On March 5, 2026, the Board of Directors of Vietnam Fubon Insurance Company Limited approved a profit distribution proposal to distribute cash dividends of VND 25,000,000 thousand, are pending approval by the local authority before distribution.

(c) Information on investment in Mainland China:

- (i) The Company had been permitted by the Supervisory Commission, R.O.C. ("FSC"), Financial Investment Commission, Ministry of Economic Affairs and China Banking and Insurance Regulatory Commission to found Fubon Property and Casualty Insurance Co., Ltd. for insurance business operation in Mainland China with Fubon Life Insurance Co., Ltd in 2010. In 2012, the Company, Fubon Life Insurance Co., Ltd and Xiamen Port Holding Group signed a joint venture contract to share the ownership of 40%, 40% and 20%, respectively. As of June 30, 2026, the accumulated investment of the Company amounted to CNY \$448 million.

Fubon Property & Casualty Insurance Co., Ltd originally invested in Shenzhen Teng Fu Bo Investment Co., resulting in its shareholding to increase to 31.1% .On July 16, 2020, a board meeting has resolved not to participate in the capital injection for Shenzhen Teng Fu Bo Investment Co., which had been approved by the local authorities on August 19, 2020, resulting in the decrease of its shareholdings from 31.1% to 16.667%. On August 13, 2021, Fubon Property & Casualty Insurance Co., Ltd shareholders' meeting has passed a resolution to dispose its 8.5% shareholding in Shenzhen Teng Fu Bo Investment Limited, with the intention of selling it to Fubon Financial Holding Venture Capital and TFB Capital Co., Ltd. The case was approved by the authority on October 6, 2021. Moreover, the above shares have been transferred on October 15 ,2021, resulting in the decrease of its shareholdings from 16.667% to 8.167%. On December 3, 2024, the shareholders' meeting of Fubon Property & Casualty Insurance Co., Ltd agreed to sell all its shares of Shenzhen Tengfubo Investment Co., Ltd., which had been completed on January 20, 2025, with the approval of the local authorities.

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FUBON INSURANCE CO., LTD. AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital (Note 2)	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2026	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2026	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value of investment at period end	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Fubon P&C Insurance Co., Ltd.	Property Insurance	5,250,292 (CNY1,120,000)	(a)	2,154,951	-	-	2,154,951	135,342	40.00%	54,137	795,521	-

Note 1 : Investment method is divided into three categories and is listed as follows:

- (a) Direct invest in Mainland China.
- (b) Reinvest in the existing company in the third party and use the company to invest in a Chinese company.
- (c) Other methods.

Note 2 : The Group translates all foreign currency items with the spot exchange rate as of June 30, 2026 or the average exchange rate for the six months ended June 30, 2026.

- 1) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
2,154,951 (CNY 448,000)	2,154,951 (CNY 448,000)	22,898,211

- 2) Capital status and its profit and loss: No Significant investment
- 3) Insurance contract assets and liabilities and reinsurance contract assets and liabilities:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Insurance contract assets	\$ 145,893	-	465
Insurance contract liabilities	3,642,771	3,451,045	2,986,487
Reinsurance contract assets	712,688	578,422	767,815
Reinsurance contract liabilities	269,874	-	182,349

- 4) Insurance revenue and percentage of the parent company's insurance revenue: \$2,150,762 thousand and 6.08%.
- 5) Insurance service expenses and percentage of the parent company's insurance service expenses: \$1,872,612 thousand and 7.55%.
- 6) The pricing, payment condition, unrealized profit and loss of significant transactions with the investee in China:
- Amount, ratio and the ending balance of relevant receivables and payables of core business items such as the insurance policy which the policy holder is the investee: None.
 - Amount and profit and loss of property transaction: None.
 - The highest balance, ending balance, interest rate interval and current interest amount of financing: None.
 - Other significant transactions which would influence current profit and loss and other financial condition, such as the provision or receipt of labor service: None.

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FUBON INSURANCE CO., LTD. AND ITS SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 7) Reinsurance transactions with branches of foreign insurers in Mainland China and overseas branches of Mainland China insurers, including the names of the counterparties, insurance revenue, and reinsurance premiums ceded:

Names of companies	Amount
PICC Reinsurance Company Limited	\$ (3,247)
Samsung Property & Casualty Insurance Company (China), Ltd.	(4,314)
DaJia Insurance Group Co., Ltd.	(12)
The People's Insurance Company (HK) Of China Limited	(10,233)
PICC PROPERTY AND CASUALTY CO., LTD.	(14)
China Life Property & Casualty Insurance Company Limited	4
CHINA CONTINENT PROPERTY & CASUALTY INSURANCE CO., LTD.	1
CHINA TAIPING INSURANCE (HK) CO., LTD.	(4,007)
CHINA TAIPING INSURANCE (SG) CO., LTD.	(2,509)
CHINA PACIFIC PROPERTY INSURANCE (HK) CO., LTD.	(6,117)
Ping An Property & Casualty Insurance Co. of China Ltd.	20,010
China Reinsurance (Group) Corporation Singapore Branch	(158,473)
China United Property Insurance Company	86,668
Bank of China Insurance Company Limited (BOCI)	7,636
Tianan Insurance Company Ltd.	6
TAIPING REINSURANCE CO., LTD.	(48,580)
Starr Property and Casualty(China) Co., Limited	(37)
Yong An Property Insurance Company Ltd.	(3)
Qianhai Reinsurance Co., Ltd.	(2,243)
LLOYDS SYND. 1084 CSL (CHAUCER)	(5,015)
LLOYDS SYND. 1084 CSL (CHAUCER, SG)	(11,202)
LLOYDS SYND. 4242	(2,613)
Huatai Property & Casualty Insurance Co., Ltd.	(67)
Sunshine Property & Casualty Insurance Co., Ltd.	(4)
Champion Property & Casualty Insurance Company Limited	7
SAMSUNG PROPERTY & CASUALTY INSURANCE COMPANY (CHINA),Ltd.	(64)
Hannover Ruckversicherung AG Shanghai Branch	(200,266)
AXA Tianping P&C Insurance Co.,Ltd.	(26,036)
Korean Reinsurance Company_SH	(2,573)
General Reinsurance AG Shanghai Branch	(1,278)
The Tokio Marine&Nichido Fire insurance Company(China) Limited	(506)
Cathay Insurance Co., Ltd.	(483)
Liberty Mutua Insurance Company (China) Limited	(1,875)
Sompo Japan Nipponkoa Insurance(China) Co., Limited	2,098
Nipponkoa Insurance(China) Co., Limited	3,121
Swiss Reinsurance Company Beijing Branch	(1,141)
Hyundai Insurance (China) Company Limited	(5,344)
Generali China Insurance Co.,Ltd.	(1,025)

- 8) Significant counterparties and the related direct premiums received: None.

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

(a) General information

The Group operates its insurance business and provides insurance contract products in accordance with local insurance laws. It distinguishes its reportable segments by geographical area, including Taiwan, Vietnam and China, which are the main operating regions of the Group. The operating sectors of the Group report their profit or loss based on the net income before tax, the value of which is the foundation of performance evaluation and the amount of which is consistent with the report used by their decision makers. The accounting policies of the operating sectors are the same as material accounting policies summarized in note 4 to the 2024 consolidated financial statements.

Other operating segments of the Group primarily conduct property insurance business and provide relevant products per the regulations of “Insurance Act”. The abovementioned segments did not reach the quantitative threshold of reportable segment for the six months ended June 30, 2026 and 2025.

(b) Segment information

For the three months ended June 30, 2026				
	Taiwan area	Other area	Adjustments and eliminations (note)	Total
Revenues				
Revenue from external customers	\$ 19,323,343	1,453,271	(38,242)	20,738,372
Revenue between segments	46,565	-	(46,565)	-
Total revenues	<u>\$ 19,369,908</u>	<u>1,453,271</u>	<u>(84,807)</u>	<u>20,738,372</u>
Segment income	<u>\$ 3,598,725</u>	<u>147,136</u>	<u>(46,565)</u>	<u>3,699,296</u>
For the three months ended June 30, 2025				
	Taiwan area	Other area	Adjustments and eliminations (note)	Total
Revenues				
Revenue from external customers	\$ 17,240,511	1,091,088	(129,184)	18,202,415
Revenue between segments	12,833	-	(12,833)	-
Total revenues	<u>\$ 17,253,344</u>	<u>1,091,088</u>	<u>(142,017)</u>	<u>18,202,415</u>
Segment income	<u>\$ 2,037,545</u>	<u>31,752</u>	<u>(12,833)</u>	<u>2,056,464</u>

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FUBON INSURANCE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

For the six months ended June 30, 2026				
	Taiwan area	Other area	Adjustments and eliminations (note)	Total
Revenues				
Revenue from external customers	\$ 37,362,984	2,785,823	(88,194)	40,060,613
Revenue between segments	99,767	-	(99,767)	-
Total revenues	<u>\$ 37,462,751</u>	<u>2,785,823</u>	<u>(187,961)</u>	<u>40,060,613</u>
Segment income	<u>\$ 6,589,829</u>	<u>246,261</u>	<u>(99,767)</u>	<u>6,736,323</u>
Segment total assets	<u>\$ 124,895,442</u>	<u>9,017,649</u>	<u>(1,732,022)</u>	<u>132,181,069</u>
Segment total liabilities	<u>\$ 86,731,757</u>	<u>6,044,769</u>	<u>(45,720)</u>	<u>92,730,806</u>
For the six months ended June 30, 2025				
	Taiwan area	Other area	Adjustments and eliminations (note)	Total
Revenues				
Revenue from external customers	\$ 32,651,275	3,098,317	(129,184)	35,620,408
Revenue between segments	305,840	-	(305,840)	-
Total revenues	<u>\$ 32,957,115</u>	<u>3,098,317</u>	<u>(435,024)</u>	<u>35,620,408</u>
Segment income	<u>\$ 2,656,816</u>	<u>875,349</u>	<u>(305,840)</u>	<u>3,226,325</u>
Segment total assets	<u>\$ 106,173,437</u>	<u>7,337,853</u>	<u>(1,417,528)</u>	<u>112,093,762</u>
Segment total liabilities	<u>\$ 78,550,865</u>	<u>4,910,319</u>	<u>9,950</u>	<u>83,471,134</u>

Note: The related adjustment and consolidated write-off entries are for preparing consolidated financial report.

(c) Important client information

The Group did not derive revenue from any single customer amounting to 10% or more of total insurance revenue.