

**FUBON LIFE 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)**

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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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Independent Auditors' Report

To the Board of Directors of
Fubon Life Insurance Co., Ltd.

Opinion

We have audited the consolidated financial statements of Fubon Life Insurance Co., Ltd. and its subsidiaries (“the Group”), which comprise the consolidated statements of financial position 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, and 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. Bao-Ju-Cai-Zi 1140495239, 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 audit of the consolidated financial statements 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 for our opinion.

Emphasis of Matter

As stated in Note 3(A), the Group 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) and Note 6(B), Fubon Life Insurance Co., Ltd. adopted, on January 1, 2026, the proviso to Article 12 “Foreign Exchange Gains and Losses” of the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” and Letter No. Bao-Ju-Cai-Zi 1140495239. For financial assets measured at amortized cost, for which the related foreign currency risks have not been designated as hedging items, the unrealized foreign exchange differences arising in each period are amortized on a straight-line basis over the expected remaining duration of the instruments.

As stated in Note 4(E), on January 1, 2026, Fubon Life Insurance Co., Ltd. adopted 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, we do not provide a separate opinion on these matters.

1. The valuation of investment properties

Regarding the valuation of investment property, please refer to Note 4(K) “Investment property” of the consolidated financial statements for the year ended December 31, 2025 for related accounting policy, Note 5 for accounting assumptions and estimates, and Note 6(H) “Investment property” for details of the valuation of investment properties.

Description of the key audit matter:

The Group hold several investment properties. The investment property appraisals are performed by appraisers from independent professional valuation agencies using the valuation techniques provided by the “Regulations on Real Estate Appraisal” and market evidence in accordance with “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.” The selection of valuation methods involved the exercise of significant professional judgments. Therefore, the valuation of investment properties has been identified as one of the key audit matters in our audit of the consolidated financial statements.

We performed our audit procedures by:

- Understanding the procedure of investment property appraisals performed by professional evaluation agencies and assessing whether they selected appropriate valuation methods and adopted reasonable significant assumptions;
- Verifying whether the measurement and disclosure of investment property are in accordance with IFRSs and “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises;”

- Evaluating the reasonableness of management's assessment of the fair value of investment property, based on the audit team's understanding of publicly available market information and the review reports issued by the real estate valuation experts engaged by the audit team.

2. The assessment of insurance contract liabilities

Please refer to Note 4(F) to the consolidated financial statements for the accounting policies on the valuation of insurance contract liabilities; Note 5(D) and Note 6(U) for critical accounting estimates and judgments on the valuation of insurance contract liabilities; and Note 6(S) for details of the valuation of insurance contract liabilities.

Description of the key audit matter:

The Group measure the liability for remaining coverage and the liability for incurred claims of insurance contract liabilities in accordance with IFRS 17 “Insurance Contracts” and related administrative interpretations, where the liability for remaining coverage comprises fulfilment cash flows and the contractual service margin. The measurement approaches applied are the General Measurement Model, the Variable Fee Approach, and the Premium Allocation Approach. The calculation involves complex actuarial methodologies and cash flow models, as well as various significant assumptions that require professional judgment. These assumptions include mortality rate, lapse rate, morbidity rate, expense rate, and discount rate used to estimate the fulfilment cash flows, as well as the coverage units used to estimate the release of the contractual service margin. Since the professional judgments applied during the estimation process affect the recognized amounts of insurance contract liabilities, insurance revenue, and insurance service expenses in the financial statements, the valuation of insurance contract liabilities has been identified as one of the key audit matters in our audit of the consolidated financial statements.

We performed our audit procedures by:

- Understanding and testing the design and operating effectiveness of internal control procedures and the information system environment related to insurance contract liabilities.
- Involving internal actuarial specialists to perform the audit on insurance contract liabilities, which included the following procedures:
 - Analyzing the movements in insurance contract liabilities to assess the reasonableness of the amounts recognized by management;
 - Assessing whether the calculation methodologies and applied parameters for insurance contract liabilities are in accordance with IFRS 17 and related actuarial practice guidelines promulgated by the Actuarial Institute of the Republic of China;
 - Selecting samples to verify the expected cash flow models using actuarial models to assess the appropriateness of the models adopted by management;
 - Selecting samples to test the reasonableness of coverage units used in calculating the release of the contractual service margin.
- Selecting samples to inspect the completeness of data used in the measurement.
- Assessing whether the presentation and disclosure of insurance contract liabilities conform to applicable standards.



Other Matter

Fubon Life Insurance Co., Ltd. has prepared its parent-company-only financial statement as of and for the six months ended June 30, 2026 and 2025 (restated), on which we have issued an unmodified 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 Reports by Insurance Enterprises,” Letter No. Bao-Ju-Cai-Zi 1140495239, 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, 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.

Auditors’ 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 auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from 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 the 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 auditors' 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 auditors' 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 and 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 for the six months ended June 30, 2026 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 Tsai, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)
August 14, 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.

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

FUBON LIFE 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	
Assets		Amount	%	Amount	%	Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (Note 6(A))	\$ 328,977,151	5	390,665,554	6	396,383,931	7	297,637,981	5										
12000	Receivables (Note 6(B))	106,557,020	2	68,636,022	1	75,036,336	1	77,176,118	1	21000	Accounts payable (Note 6(O))	\$ 55,954,928	1	84,272,055	1	69,272,040	1	74,274,257	1
12600	Current tax assets	22,241,543	-	18,390,508	-	17,581,212	-	14,206,639	-	21700	Current tax liabilities	17,696,607	-	12,378,369	-	5,163,198	-	4,850,536	-
13000	Assets classified as held for sale, net (Note 6(D))	-	-	318,190	-	-	-	-	-	23100	Short-term liabilities (Note 6(P))	252,377	-	8,971,611	-	3,632,142	-	9,865,410	-
14110	Financial assets measured at fair value through profit or loss (Note 6(B))	518,483,125	8	1,475,479,571	23	1,511,424,272	26	1,577,511,050	26	23200	Financial liabilities measured at fair value through profit or loss (Note 6(B))	224,816,086	4	207,674,983	3	188,281,301	3	212,761,897	4
14190	Financial assets measured at fair value through other comprehensive income (Note 6(B))	2,097,390,089	32	449,749,057	7	273,911,916	5	277,074,521	5	23300	Financial liabilities for hedging (Note 6(B))	5,894,988	-	2,927,924	-	1,377,848	-	8,058,819	-
14130	Financial assets for hedging (Note 6(B))	75,099	-	694,319	-	789,030	-	318,070	-	23401	Financial liabilities measured at amortized cost (Note 6(B))	143,354,765	2	156,203,259	2	163,707,761	3	168,842,728	3
14145	Financial assets measured at amortized cost (Note 6(B))	2,297,502,432	35	2,751,588,097	43	2,573,844,906	43	2,794,981,945	46	23500	Bonds payable (Note 6(Q))	249,362,614	4	231,127,931	4	172,122,047	3	153,553,649	3
14150	Investments accounted for using equity method, net (Note 6(E))	26,444,378	-	26,418,235	-	24,875,783	-	26,673,674	-	23700	Other financial liabilities (Note 6(B))	4,859,726	-	4,859,528	-	4,204,141	-	-	-
14180	Other financial assets, net (Note 6(B))	5,497,195	-	5,405,775	-	3,671,602	-	3,375,533	-	23800	Lease liabilities (Note 6(R))	16,733,100	-	16,601,387	-	16,574,051	-	16,722,541	-
14200	Investment property (Note 6(H))	318,941,911	5	313,477,153	5	304,096,181	5	299,713,892	5	24101	Insurance contract liabilities (Note 6(S))	4,678,571,755	71	4,736,717,019	75	4,625,639,357	78	4,634,305,397	75
14300	Loans (Note 6(B))	213,542,948	3	180,815,468	3	147,949,640	3	134,961,367	2	24201	Reinsurance contract liabilities (Note 6(T))	3,526,955	-	3,864,645	-	3,707,147	-	3,856,586	-
15500	Reinsurance contract assets (Note 6(T))	37,615,132	1	38,759,484	1	37,174,713	1	36,330,591	1	27000	Provisions(Note 6(V))	5,666,603	-	5,798,500	-	6,240,709	-	6,654,234	-
16000	Property and equipment (Note 6(J))	29,938,341	-	30,013,484	1	28,858,498	-	24,449,870	-	28000	Deferred tax liabilities	38,765,033	1	46,029,978	1	23,609,858	-	53,710,821	1
16700	Right-of-use assets (Note 6(K))	5,788,168	-	5,888,374	-	6,005,075	-	6,048,494	-	25000	Other liabilities (Note 6(W))	268,454,232	4	230,376,350	4	148,970,889	3	167,261,538	3
17000	Intangible assets (Note 6(L))	4,443,184	-	4,806,173	-	4,694,930	-	4,895,425	-		Total liabilities	5,713,909,769	87	5,747,803,539	90	5,432,502,489	91	5,514,718,413	90
17800	Deferred tax assets	41,863,794	1	62,110,965	1	34,164,877	1	48,058,243	1		Equity attributable to owners of parent								
18000	Other assets (Note 6(M))	27,929,606	-	27,130,931	1	26,067,197	-	30,060,548	-	31100	Ordinary shares(Note 6(X))	118,420,450	2	118,420,450	2	118,420,450	2	118,420,450	2
18900	Assets on insurance products - separate account (Note 6(N))	521,611,679	8	493,946,070	8	458,663,856	8	486,556,674	8	32000	Capital surplus (Note 6(X))	30,973,704	-	31,161,614	-	31,255,687	1	31,391,336	1
											Retained earnings (Note 6(X)):								
										33100	Legal reserve	132,723,887	2	120,156,210	2	120,156,210	2	99,590,113	2
										33200	Special reserve	420,246,581	6	333,917,207	5	333,410,402	6	266,449,382	4
										33300	Unappropriated retained earnings(Accumulated Deficit)	143,304,033	2	108,434,501	2	(31,849,548)	(1)	151,290,583	2
											Total retained earnings	696,274,501	10	562,507,918	9	421,717,064	7	517,330,078	8
										34000	Other equity interest (Note 6(X))	37,713,263	1	(122,464,913)	(1)	(83,984,057)	(1)	(47,229,801)	(1)
											Total Equity attributable to owners of parent	883,381,918	13	589,625,069	10	487,409,144	9	619,912,063	10
										36000	Non-controlling interests (Note 6(F)&(X))	7,551,108	-	6,864,822	-	5,282,322	-	5,400,159	-
											Total equity	890,933,026	13	596,489,891	10	492,691,466	9	625,312,222	10
Total assets		\$ 6,604,842,795	100	6,344,293,430	100	5,925,193,955	100	6,140,030,635	100		Total liabilities and equity	\$ 6,604,842,795	100	6,344,293,430	100	5,925,193,955	100	6,140,030,635	100

(See accompany notes to the consolidated financial statements)

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

FUBON LIFE 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 earning per share)

		For the three months ended June 30,				For the six months ended June 30,			
				(restated)				(restated)	
		2026		2025		2026		2025	
		Amount	%	Amount	%	Amount	%	Amount	%
Insurance service result:									
41101	Insurance revenue (Note 6(AA))	\$ 28,031,203	100	25,612,205	100	54,789,283	100	50,289,333	100
51101	Insurance service expenses (Note 6(AB))	(16,516,945)	(59)	(16,529,387)	(65)	(34,745,285)	(63)	(34,624,032)	(69)
51201	Income or expenses from reinsurance contracts held(Note 6(AC))	(153,907)	-	(36,489)	-	(279,922)	(1)	(120,164)	-
61100	Insurance service result	<u>11,360,351</u>	<u>41</u>	<u>9,046,329</u>	<u>35</u>	<u>19,764,076</u>	<u>36</u>	<u>15,545,137</u>	<u>31</u>
Finance result:									
41500	Net investment income (losses)								
41510	Interest income	38,635,164	138	27,674,090	108	76,649,342	140	59,469,125	118
41521	Gains (losses) on financial assets or liabilities at fair value through profit or loss(Note 6(B))	44,400,026	158	128,957,906	504	48,120,929	88	63,906,886	127
41527	Realized gains (losses) on financial assets at fair value through other comprehensive income	4,010,581	14	167,870	1	6,468,658	12	155,519	-
41526	Net gains (losses) from derecognition of financial assets at amortized cost	(320,624)	(1)	(123,717)	-	(441,938)	(1)	(326,998)	-
41540	Share of gain (loss) of associates and joint ventures accounted for using equity method(Note 6(E))	977,166	3	368,477	1	473,129	1	(22,435)	-
41550	Foreign exchange gains (losses)	(409,744)	(1)	(220,876,438)	(862)	10,770,228	20	(194,336,733)	(386)
41560	Net change in reserve for foreign exchange valuation (Note 6(W))	(6,288,262)	(22)	(17,406,193)	(68)	(11,552,634)	(21)	(22,094,209)	(44)
41570	Gains (losses) on investment property	1,075,749	4	2,701,884	11	1,534,869	3	3,199,722	6
41585	Expected credit losses or reversal of expected credit losses of investments(Note 6(B))	(854,668)	(3)	420,493	2	(1,511,777)	(3)	136,237	-
41591	Net change in insurance contract financial liabilities at amortized cost(Note 6(B))	(8,791)	-	1,023	-	(715,597)	(1)	(47)	-
41592	Net income (losses) on assets on insurance products in separated accounts(Note 6(N))	48,242,758	172	(693,176)	(3)	53,772,269	98	(454,001)	(1)
41599	Other net income (loss) from investments	(1,427,550)	(5)	(1,039,868)	(4)	(2,589,059)	(5)	(2,270,248)	(4)
51401	Insurance finance income or expenses(Note 6(AD))	(86,407,315)	(308)	(27,581,170)	(108)	(127,200,772)	(232)	(50,618,930)	(101)
51501	Finance income or expenses from reinsurance contracts held(Note 6(AD))	114,808	-	109,896	-	229,300	-	219,317	-
61200	Finance result	<u>41,739,298</u>	<u>149</u>	<u>(107,318,923)</u>	<u>(418)</u>	<u>54,006,947</u>	<u>99</u>	<u>(143,036,795)</u>	<u>(285)</u>
Other operation result:									
41700	Asset management service revenue(Note 6(W))	672,485	2	482,220	2	1,315,465	2	1,017,944	2
41800	Other operating revenue	100,367	-	67,300	-	337,997	1	179,468	1
51700	Finance costs	(3,747,337)	(13)	(3,467,913)	(14)	(7,395,534)	(13)	(6,896,212)	(14)
51800	Other operating costs	(2,005,178)	(7)	53,431,962	209	(2,560,771)	(5)	51,691,445	103
58000	Other operating expenses	(3,320,058)	(12)	(1,761,102)	(7)	(5,312,082)	(10)	(3,475,626)	(7)
	Other operation result	<u>(8,299,721)</u>	<u>(30)</u>	<u>48,752,467</u>	<u>190</u>	<u>(13,614,925)</u>	<u>(25)</u>	<u>42,517,019</u>	<u>85</u>
	Net operating income (loss)	<u>44,799,928</u>	<u>160</u>	<u>(49,520,127)</u>	<u>(193)</u>	<u>60,156,098</u>	<u>110</u>	<u>(84,974,639)</u>	<u>(169)</u>
59000	Total non-operating income and expenses(Note 6(AE))	310,939	1	265,034	1	581,727	1	524,174	1
	Profit (loss) from continuing operations before income tax	<u>45,110,867</u>	<u>161</u>	<u>(49,255,093)</u>	<u>(192)</u>	<u>60,737,825</u>	<u>111</u>	<u>(84,450,465)</u>	<u>(168)</u>
63000	Income tax expense(Note 6(Y))	(4,251,899)	(15)	8,755,329	34	(4,758,587)	(9)	3,492,610	7
	Net profit (loss)	<u>\$ 40,858,968</u>	<u>146</u>	<u>(40,499,764)</u>	<u>(158)</u>	<u>55,979,238</u>	<u>102</u>	<u>(80,957,855)</u>	<u>(161)</u>
Other comprehensive income:									
83100	Items that may not be reclassified subsequently to profit or loss								
83110	Remeasurement of defined benefit plans	\$ 14,827	-	(7,431)	-	12,697	-	(7,554)	-
83120	Revaluation of real estate property	-	-	-	-	42,127	-	-	-
83190	Valuation gains (losses) on equity instruments measured at fair value through other comprehensive income	195,206,424	696	719,184	3	233,169,602	426	974,969	2
83130	Share of other comprehensive income of associates and joint ventures accounted for using equity method	46,457	-	(69,755)	-	23,259	-	(161,358)	-
83180	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(8,128,759)	(29)	(90,317)	-	(10,667,952)	(19)	(155,656)	-
	Total items that may not be reclassified subsequently to profit or loss	<u>187,138,949</u>	<u>667</u>	<u>551,681</u>	<u>3</u>	<u>222,579,733</u>	<u>407</u>	<u>650,401</u>	<u>2</u>
83200	Items may be reclassified subsequently to profit or loss								
83210	Exchange differences on translation of foreign financial statements	(1,418,904)	(5)	(5,095,643)	(20)	(3,325,220)	(6)	(3,220,120)	(6)
83290	Valuation gains (losses) on debt instruments measured at fair value through other comprehensive income	9,796,109	35	4,568,517	18	(16,729,330)	(31)	8,326,064	17
83296	Insurance finance income or expenses (Note 6(AD))	38,323,057	137	(65,845,379)	(257)	130,410,428	238	(52,013,838)	(104)
83297	Finance income or expenses of reinsurance contracts held (Note 6(AD))	(376,295)	(1)	670,480	2	(906,676)	(2)	699,292	1
83230	Gains (losses) on hedging instrument	66,765	-	(3,316)	-	47,715	-	12,830	-
83240	Share of other comprehensive income of associates and joint ventures accounted for using equity method	234,576	1	43,599	-	342,976	1	(8,798)	-
83280	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(9,275,126)	(33)	12,812,338	50	(23,486,285)	(43)	9,026,996	18
	Total items that may be reclassified subsequently to profit or loss	<u>37,350,182</u>	<u>134</u>	<u>(52,849,404)</u>	<u>(207)</u>	<u>86,353,608</u>	<u>157</u>	<u>(37,177,574)</u>	<u>(74)</u>
83000	Other comprehensive income	<u>224,489,131</u>	<u>801</u>	<u>(52,297,723)</u>	<u>(204)</u>	<u>308,933,341</u>	<u>564</u>	<u>(36,527,173)</u>	<u>(72)</u>
	Comprehensive income (loss)	<u>\$ 265,348,099</u>	<u>947</u>	<u>(92,797,487)</u>	<u>(362)</u>	<u>364,912,579</u>	<u>666</u>	<u>(117,485,028)</u>	<u>(233)</u>
Net profit (loss) attributable to:									
86100	Owners of parent	\$ 40,503,783	145	(40,465,213)	(158)	55,625,143	102	(80,625,988)	(160)
86200	Non-controlling interests	355,185	1	(34,551)	-	354,095	-	(331,867)	(1)
		<u>\$ 40,858,968</u>	<u>146</u>	<u>(40,499,764)</u>	<u>(158)</u>	<u>55,979,238</u>	<u>102</u>	<u>(80,957,855)</u>	<u>(161)</u>
Comprehensive income attributable to:									
87100	Owners of parent	\$ 264,616,926	944	(93,132,211)	(364)	364,226,293	665	(117,367,191)	(233)
87200	Non-controlling interests	731,173	3	334,724	2	686,286	1	(117,837)	-
		<u>\$ 265,348,099</u>	<u>947</u>	<u>(92,797,487)</u>	<u>(362)</u>	<u>364,912,579</u>	<u>666</u>	<u>(117,485,028)</u>	<u>(233)</u>
97500	Basic earnings per share (NT dollars)(Note 6(Z))	<u>\$ 3.42</u>		<u>(3.42)</u>		<u>4.70</u>		<u>(6.81)</u>	

(See accompany notes to the consolidated financial statements)

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

FUBON LIFE 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																
	Total other equity interest																
	Retained earnings						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Unrealized revaluation surplus	Insurance finance income or expenses recognized in other comprehensive income	Finance income or expenses of reinsurance contracts held recognized in other comprehensive income	Others (Note)	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (Accumulated Deficit)	Total											
Balance at January 1, 2025	\$ 118,420,450	31,391,336	99,590,113	266,449,382	102,527,197	468,566,692	(9,480,592)	(41,663,543)	(152,721)	311,876	-	-	46,454,084	(4,530,896)	613,847,582	6,366,301	620,213,883
Effects of retrospective application and retrospective restatement	-	-	-	-	48,763,386	48,763,386	268,753	97,365	-	-	3,391,425	(2,364)	(46,454,084)	(42,698,905)	6,064,481	(966,142)	5,098,339
Equity at beginning of period after adjustments	118,420,450	31,391,336	99,590,113	266,449,382	151,290,583	517,330,078	(9,211,839)	(41,566,178)	(152,721)	311,876	3,391,425	(2,364)	-	(47,229,801)	619,912,063	5,400,159	625,312,222
Net loss (restated)	-	-	-	-	(80,625,988)	(80,625,988)	-	-	-	-	-	-	-	-	(80,625,988)	(331,867)	(80,957,855)
Other comprehensive (loss) income (restated)	-	-	-	-	4,082	4,082	(2,808,601)	7,195,670	1,986	-	(41,694,175)	559,835	-	(36,745,285)	(36,741,203)	214,030	(36,527,173)
Total comprehensive (loss) income (restated)	-	-	-	-	(80,621,906)	(80,621,906)	(2,808,601)	7,195,670	1,986	-	(41,694,175)	559,835	-	(36,745,285)	(117,367,191)	(117,837)	(117,485,028)
Appropriation and distribution:																	
Legal reserve appropriated	-	-	20,566,097	-	(20,566,097)	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	69,974,727	(69,974,727)	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(3,013,707)	3,013,707	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividends of Common Stock	-	-	-	-	(15,000,079)	(15,000,079)	-	-	-	-	-	-	-	-	(15,000,079)	-	(15,000,079)
Other changes in capital surplus:																	
Changes in investments in associates and joint ventures accounted for using equity method	-	(135,649)	-	-	-	-	-	-	-	-	-	-	-	-	(135,649)	-	(135,649)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	8,971	8,971	-	(8,971)	-	-	-	-	-	(8,971)	-	-	-
Balance at June 30, 2025 (restated)	\$ 118,420,450	31,255,687	120,156,210	333,410,402	(31,849,548)	421,717,064	(12,020,440)	(34,379,479)	(150,735)	311,876	(38,302,750)	557,471	-	(83,984,057)	487,409,144	5,282,322	492,691,466
Balance at January 1,2026 (restated)	\$ 118,420,450	31,161,614	120,156,210	333,917,207	108,434,501	562,507,918	(10,016,575)	(31,518,992)	(202,264)	312,072	(82,107,701)	1,068,547	-	(122,464,913)	589,625,069	6,864,822	596,489,891
Effects of retrospective application and retrospective restatement	-	-	-	-	1,882,560	1,882,560	53,440	(69,029,513)	-	-	8,231,852	138	-	(60,744,083)	(58,861,523)	-	(58,861,523)
Equity at beginning of period after adjustments	118,420,450	31,161,614	120,156,210	333,917,207	110,317,061	564,390,478	(9,963,135)	(100,548,505)	(202,264)	312,072	(73,875,849)	1,068,685	-	(183,208,996)	530,763,546	6,864,822	537,628,368
Net income	-	-	-	-	55,625,143	55,625,143	-	-	-	-	-	-	-	-	55,625,143	354,095	55,979,238
Other comprehensive (loss) income	-	-	-	-	12,875	12,875	(2,539,642)	209,034,337	83,607	33,701	102,702,314	(726,042)	-	308,588,275	308,601,150	332,191	308,933,341
Total comprehensive (loss) income	-	-	-	-	55,638,018	55,638,018	(2,539,642)	209,034,337	83,607	33,701	102,702,314	(726,042)	-	308,588,275	364,226,293	686,286	364,912,579
Appropriation and distribution:																	
Legal reserve appropriated	-	-	12,567,677	-	(12,567,677)	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	40,976,127	(40,976,127)	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(2,632,237)	2,632,237	-	-	-	-	-	-	-	-	-	-	-	-
Cash Dividends of Common Stock	-	-	-	-	(11,420,011)	(11,420,011)	-	-	-	-	-	-	-	-	(11,420,011)	-	(11,420,011)
Special reserve—for participating policy dividend	-	-	-	6,925,686	(6,925,686)	-	-	-	-	-	-	-	-	-	-	-	-
Special reserve—reserve for policy value deficiency	-	-	-	41,059,798	(41,059,798)	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in capital surplus:																	
Changes in investments in associates and joint ventures accounted for using equity method	-	(187,910)	-	-	-	-	-	-	-	-	-	-	-	-	(187,910)	-	(187,910)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	87,666,016	87,666,016	-	(87,666,016)	-	-	-	-	-	(87,666,016)	-	-	-
Balance at June 30, 2026	\$ 118,420,450	30,973,704	132,723,887	420,246,581	143,304,033	696,274,501	(12,502,777)	20,819,816	(118,657)	345,773	28,826,465	342,643	-	37,713,263	883,381,918	7,551,108	890,933,026

Note: Amount shown above is other comprehensive profit(loss) reclassified using overlay approach.

(See accompany notes to the consolidated financial statements)

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

FUBON LIFE 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,	
	(restated)	
	2026	2025
Cash flows from (used in) operating activities:		
Profit (loss) before tax	\$ 60,737,825	(84,450,465)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	837,005	711,752
Amortization expense	229,807	208,013
Net gain on financial assets or liabilities at fair value through profit or loss	(73,987,797)	(24,782,086)
Net gain on financial assets or liabilities at fair value through other comprehensive income	(371,838)	(117,522)
Interest expense	7,402,218	7,033,053
Net loss arising from derecognition of financial assets measured at amortized cost	441,938	326,998
Interest income	(76,649,342)	(59,469,125)
Dividend income	(7,006,031)	(21,137,615)
Net change in reserve for foreign exchange valuation	11,552,634	22,094,209
Net change in other reserves	3,234,349	(53,026,794)
Expected credit loss (gain) of investment	1,511,777	(136,237)
Expected credit loss of non-investment	707	4,019
Net change in financial liabilities measured at amortized cost of investment contracts	715,597	47
Net income (loss) on assets on insurance products in separate accounts	(53,772,269)	454,001
Share of (gain) loss of associates and joint ventures accounted for using equity method	(473,129)	22,435
Loss on disposal of property and equipment	43	146
Property and equipment transferred to revenues	(7,287)	(5,083)
Gain on disposal of assets classified as held for sale	(3,739)	-
Unrealized foreign exchange (gain) loss	(9,106,906)	188,234,897
Loss on fair value adjustment of investment property	1,051,339	8,935
Other items	25,566	7,962
Total adjustments to reconcile profit (loss)	(194,375,358)	60,432,005
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in receivables	(32,598,070)	3,697,882
Decrease in financial assets measured at fair value through profit or loss	66,722,625	54,029,722
Increase in financial assets measured at fair value through other comprehensive income	(42,958,977)	(2,115,783)
Decrease (increase) in financial assets measured at amortized cost	13,075,104	(7,203,491)
Increase in other financial assets	(217,719)	(306,556)
Increase in reinsurance contract assets	(108,325)	(291,232)
Decrease in assets on insurance product, separated account	15,144,119	29,258,925
Decrease (increase) in other assets	(975,674)	4,242,751
Total changes in operating assets	18,083,083	81,312,218
Changes in operating liabilities:		
Decrease in accounts payable	(30,754,605)	(20,818,012)
Increase (decrease) in financial liabilities measured at fair value through profit or loss	6,674,938	(5,529,249)
Decrease in financial liabilities measured at amortized cost	(7,153,526)	(7,575,460)
Increase (decrease) in other financial liabilities	-	2,127,473
Increase in insurance contract liabilities	71,478,482	8,437,233
Decrease in provisions	(108,577)	(422,023)
Increase in other liabilities	860,734	12,023,364
Total changes in operating liabilities	40,997,446	(11,756,674)
Total adjustments	(135,294,829)	129,987,549
Cash inflow (outflow) generated from operations	(74,557,004)	45,537,084
Interest received	65,472,764	52,776,398
Dividends received	5,694,351	18,762,600
Interest paid	(4,289,815)	(3,023,948)
Dividends paid	(11,420,011)	-
Income taxes paid	(9,742,521)	(6,856,065)
Net Cash flows from (used in) operating activities	(28,842,236)	107,196,069
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(542,312)	-
Net cash flow used in acquisition of subsidiaries	-	(121,885)
Proceeds from capital reduction of investments accounted for using equity method	186,714	-
Proceeds from disposal of assets classified as held for sale	313,652	-
Acquisition of property and equipment	(489,550)	(1,740,867)
Proceeds from disposal of property and equipment	15	-
Acquisition of intangible assets	(96,437)	(24,326)
Increase in loans	(35,197,114)	(13,306,632)
Acquisition of investment properties	(6,248,422)	(4,354,773)
Net cash flows from (used in) investing activities	(42,073,454)	(19,548,483)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	-	(1,416,180)
Increase in commercial papers payable	-	208,410
Decrease in commercial papers payable	(2,646)	-
Proceeds from issuing bonds	20,000,000	19,000,000
Repayments of bonds	(1,157,090)	(336,345)
Decrease in notes and bonds sold under repurchase agreement	(8,719,200)	(5,241,770)
Payment of lease liabilities	(578,071)	(561,807)
Net cash flows from (used in) financing activities	9,542,993	11,652,308
Effect of exchange rate changes on cash and cash equivalents	(315,706)	(553,944)
Net (decrease) increase in cash and cash equivalents	(61,688,403)	98,745,950
Cash and cash equivalents at beginning of period	390,665,554	297,637,981
Cash and cash equivalents at end of period	\$ 328,977,151	396,383,931

(See accompany notes to the consolidated financial statements)

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

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended June 30, 2026 and 2025
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. COMPANY HISTORY

Fubon Life Insurance Co., Ltd. (“Fubon Life Insurance” or “Company”), formerly ING Life Insurance Co., Ltd. (“ING Life Insurance”) was established in March 2006. The Company primarily conducts life insurance business.

Originally, the Company is one of the ING group members. On October 20, 2008, the Company’s former parent company, ING Group, announced that it has reached a cooperation agreement with Fubon Financial Holding Co., Ltd. (“Fubon Financial Holding”) to sell the Company effectively on February 11, 2009.

ING Life Insurance swapped shares with Fubon Life Assurance Co. Ltd (“Fubon Life Assurance”). Fubon Life Assurance ceased to legally exist, and the former ING Life Insurance, which was a surviving entity, changed its name to “Fubon Life Insurance Co., Ltd.”. The corporate restructuring was permitted by the Financial Supervisory Commission, Executive Yuan through its letter Gin-Guan-Bao-Li No.09802091401 issued on June 1, 2009.

The consolidated financial statements as of June 30, 2026, December 31 and June 30, 2025 comprise the Company and its subsidiaries (together referred to as the “Group”). Please refer to Note 4(C) for further information. The parent and ultimate parent company of the Group is Fubon Financial Holding.

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 14, 2026.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

3. New Standards, Amendments and Interpretations Adopted:

- (A) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) 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) **Recognition, Measurement, Presentation and Disclosure of Insurance Contracts**

IFRS 17 replaces the previous IFRS 4 with an entirely new measurement model and establishes principles for the recognition, measurement and disclosure of insurance contracts, reinsurance contracts held, and investment contracts with discretionary participation features. Under the standard, insurance contracts are aggregated into portfolios for measurement. Each insurance contract portfolio comprises contracts subject to similar risks and managed together. Each portfolio is further divided into annual cohorts (i.e., grouped by the year the contracts are issued), and each annual cohort is further subdivided based on the profitability of individual contracts. Portfolios of reinsurance contracts held and portfolios of issued insurance contracts are assessed for aggregation separately.

Under the standard, a group of insurance contracts is measured at initial recognition as the sum of the following:

- Fulfilment cash flows: comprising the best estimate of the present value of future cash flows expected to arise within the boundary of the contracts, adjusted for the risk adjustment for non-financial risk; and
- Contractual service margin (CSM): representing the amount of the unearned profit at initial recognition that is deferred.

Losses recognized at initial recognition, any subsequent losses on onerous contracts, and any reversals of such losses for each group of insurance contracts are recognized directly in profit or loss for the period. For portfolios of reinsurance contracts held, any net gain or net loss at initial recognition is recognized as the contractual service margin; however, where the net cost of purchasing reinsurance coverage relates to events that occurred before the acquisition of the group of reinsurance contracts held, such net cost shall be recognized immediately in profit or loss.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Groups of insurance contracts are measured using the General Measurement Model (GMM), the Variable Fee Approach (VFA), or the Premium Allocation Approach (PAA). The Group applies the PAA solely to groups of insurance contracts with short coverage periods (e.g., one-year group insurance and travel insurance), applies the VFA to groups of insurance contracts with direct participation features (e.g., participating policies), and applies the GMM to all others. For groups of reinsurance contracts held, the PAA is applied to catastrophe and group reinsurance, while the GMM is applied to all others.

Contract fulfilment cash flows are updated at each financial reporting date using current discount rates to reflect current conditions. For insurance contracts without direct participation features measured under the GMM, the interest accreted on the contractual service margin is determined using the discount rate established at the date of initial recognition of the group. For further details on the subsequent measurement of the contractual service margin, please refer to Note 4(F).

Unless impracticable, IFRS 17 is applied retrospectively upon initial adoption. The cumulative effect of retrospective application is adjusted to equity items as of January 1, 2025 (the transition date), and a balance sheet as of the transition date is prepared. The transition methods applied by the Group are described in section (2) below.

Additionally, following the adoption of IFRS 17, certain accounting items in the consolidated balance sheet have been replaced by new accounting items. For example, the balance sheet presents the carrying amounts of the following insurance contract portfolios:

- Portfolios of issued insurance contracts that are assets;
- Portfolios of issued insurance contracts that are liabilities;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

Regarding items in the consolidated income statement, premium income, ceded reinsurance expense, insurance claims and benefits, net change in insurance contract liabilities and reinsurance claims and benefits to be recovered are no longer reported. Under the new standards, these items have been replaced by the following new accounting items:

- Insurance revenue;
- Insurance service expenses;

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Income or expenses from reinsurance contracts held;
- Insurance finance income or expenses; and
- Finance income or expenses from reinsurance contracts held.

2) Transition Methods to IFRS 17

The transition date refers to the beginning of the earliest comparative reporting period presented upon initial application of IFRS 17. Future cash flows and the risk adjustment for non-financial risk are measured using current assumptions, consistent with the approach used for subsequent measurement. Accordingly, the determination of the contractual service margin is the key element in the transition to the new standard.

The Group applies IFRS 17 retrospectively (full retrospective approach) in accordance with the requirements of the standard, except where impracticable. Where the full retrospective approach is impracticable, the Group may elect to apply either the modified retrospective approach or the fair value approach; however, where the Group determines that it is unable to obtain reasonable and supportable information required for the modified retrospective approach, the fair value approach is applied.

The Group measures the amounts for each group of contracts upon transition to IFRS 17 as of the transition date using the following methods:

<u>Year of Contract Issuance</u>	<u>Transition Method</u>
The Company	
2024	Full retrospective approach
2022–2023	Modified retrospective approach
2021 and earlier	Fair value approach
Subsidiary -Fubon Life Insurance (Vietnam) Co., Ltd. (Note 1)	
2024 and earlier	Fair value approach
Subsidiary- Fubon Life Insurance (Hong Kong) Company Limited (Note 2)	
2024 and earlier	Full retrospective approach
Subsidiary- Fubon Hyundai Life Insurance Co., Ltd. (Note 3)	
2022–2024	Full retrospective approach
2021 and earlier	Fair value approach

Note 1: Fubon Life Insurance (Vietnam) Co., Ltd. is hereinafter referred to as “Fubon Life Insurance Vietnam”.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 2: Fubon Life Insurance (Hong Kong) Company Limited is hereinafter referred to as “Fubon Life Insurance (Hong Kong)”.

Note 3: Fubon Hyundai Life Insurance Co., Ltd. is hereinafter referred to as “Fubon Hyundai Life Insurance”.

Full Retrospective Approach

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

Modified Retrospective Approach

The Group has applied the modified retrospective approach to certain groups of insurance contracts existing prior to the transition date, on the basis that although complete historical information required for the full retrospective approach is unavailable, past information can be reasonably approximated.

Under the modified retrospective approach, the Group identifies, recognizes and measures each group of insurance contracts at the transition date, reconstructing the measurement at initial recognition based on past facts and circumstances to the greatest extent possible, while permitting the use of reasonable approximations where complete data is unavailable.

Under the modified retrospective approach, the Group has elected to apply the following modifications:

- Using information available at the transition date to identify groups of insurance contracts;
- Using information available at the transition date to assess eligibility for the Variable Fee Approach (VFA);
- Using information available at the transition date to determine future cash flows. The future cash flows at initial recognition are estimated using the amounts at the transition date or an earlier date (determined retrospectively), adjusted for cash flows known to have occurred prior to that date. The earliest date from which future cash flows can be determined retrospectively for any group of contracts is January 1, 2022;

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Using information available at the transition date to identify discretionary cash flows for insurance contracts without direct participation features;
- Using information available at the transition date to assess whether investment contracts qualify as investment contracts with discretionary participation features within the scope of IFRS 17;
- For discount rates that are unavailable as at the date of initial recognition, using observable yield curves at the transition date. The illiquidity premium applied to the risk-free yield curve at initial recognition is estimated using the average spread between the risk-free yield curve and the discount rate determined retrospectively over the period from January 1, 2021 to January 1, 2025) ;
- For risk adjustments for non-financial risk that cannot be determined retrospectively, using the risk adjustment for non-financial risk as at the transition date and allocating it reasonably to prior periods. For certain groups of contracts, the risk adjustment for non-financial risk at initial recognition is determined by adjusting the amount at the transition date for the risk expected to have been released prior to that date. The expected risk release pattern is based on that of similar contracts issued by the Group at the transition date; and
- The cumulative amount of insurance finance income or expenses recognized in other comprehensive income prior to the transition date is treated as zero. (excluding insurance contracts with direct participation features and with underlying items)

When applying the above modifications to determine the contractual service margin (or loss component) at initial recognition:

- The amount of the contractual service margin recognized in profit or loss prior to the transition date is determined by comparing the coverage units at initial recognition with the coverage units remaining as at the transition date; and
- The amount allocated to the loss component prior to the transition date is determined based on the proportion of the loss component to the total estimated present value of future cash outflows plus the risk adjustment for non-financial risk at initial recognition.

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For groups of reinsurance contracts held that were entered into at or before the date on which the related onerous insurance contracts were recognized, the Group establishes a loss-recovery component as at the transition date. For certain groups of contracts measured under the modified retrospective approach, the Group determines the loss-recovery component by multiplying the following two amounts:

- The amount of the loss component relating to the related insurance contracts as at the transition date; and
- The proportion of claims on the related insurance contracts that the Company expects to recover under the reinsurance contracts.

Fair Value Approach

Having assessed that, as at and including December 31, 2024, it is no longer practicable to obtain the appropriate historical information necessary to apply either the full retrospective approach or the modified retrospective approach for certain groups of insurance contracts, the Company applies the fair value approach to measure the carrying amount of those groups of insurance contracts as at the transition date. Under the fair value approach, the contractual service margin as at the transition date is equal to the difference between the fair value of the group of insurance contracts measured in accordance with IFRS 13 “Fair Value Measurement” as at that date and the fulfilment cash flows measured as at that date.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accordingly, the fair value of a group of insurance contracts is regarded as the compensation that market participants would require for assuming the obligations under the relevant insurance contracts.

In addition, the Company has chosen to use the following information in applying the fair value approach:

- Using information available at the transition date to identify groups of insurance contracts;
- Using information available at the transition date to assess eligibility for the Variable Fee Approach (VFA);
- Using information available at the transition date to determine future cash flows;

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Using information available at the transition date to identify discretionary cash flows for insurance contracts without direct participation features;
- Using information available at the transition date to assess whether investment contracts qualify as investment contracts with discretionary participation features within the scope of IFRS 17;
- Including in the same group contracts issued more than one year apart, and using January 1, 2025 rather than the date of initial recognition to determine the discount rate at initial recognition for such groups of contracts; and
- The cumulative amount of insurance finance income or expenses recognized in other comprehensive income as at the transition date is zero. (excluding insurance contracts with direct participation features and with underlying items)

For groups of reinsurance contracts held that are intended to compensate for losses on the related onerous insurance contracts, the Group determines the loss-recovery component as at January 1, 2025 by multiplying the following two amounts:

- The amount of the loss component relating to the related insurance contracts as at January 1, 2025; and
- The proportion of claims on the related insurance contracts that the Group expects to recover under the reinsurance contracts.

3) Redesignation of Financial Assets

Under IFRS 17, entities that had already applied IFRS 9 prior to the date of initial application of IFRS 17 may reassess eligible financial assets based on the facts and circumstances existing at the date of initial adoption—that is, they may redesignate the classification of financial assets that meet the conditions of IFRS 9—and such redesignations and reclassifications are applied retrospectively, although restatement of prior periods is not required.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

A) Reconciliation of Changes in the Group's Balance Sheet as at the Transition Date:

	December 31, 2024	Impact of the adoption of IFRS 17		January 1, 2025
	Carrying amount			Carrying amount
	(IFRS 4)	Reclassification	Remeasurements	(IFRS 17)
Receivables	\$ 82,208,900	(5,032,782)	-	77,176,118
Investments accounted for using equity method, net	26,502,083	-	171,591	26,673,674
Loans	224,196,305	(89,234,938)	-	134,961,367
Reinsurance contract assets	2,644,306	(1,618,947)	35,305,232	36,330,591
Deferred tax assets	45,525,058	-	2,533,185	48,058,243
Other assets	32,533,005	(2,472,457)	-	30,060,548
Assets on insurance products - separate account	490,170,264	(3,613,590)	-	486,556,674
Impact on Total assets		\$ (101,972,714)	38,010,008	
Accounts payable	\$ 76,722,801	(6,039,980)	3,591,436	74,274,257
Short-term liabilities	1,200,000	8,665,410	-	9,865,410
Financial liabilities measured at fair value through profit or loss	34,407,924	178,353,973	-	212,761,897
Financial liabilities measured at amortized cost	-	168,842,728	-	168,842,728
Insurance contract liabilities	4,683,758,163	(70,994,296)	21,541,530	4,634,305,397
Reinsurance contract liabilities	-	-	3,856,586	3,856,586
Reserve for insurance with nature of financial instrument	3,271,102	(3,271,102)	-	-
Reserve for foreign exchange valuation	21,480,601	(21,480,601)	-	-
Provisions	10,382,742	(3,728,508)	-	6,654,234
Deferred tax liabilities	49,788,704	-	3,922,117	53,710,821
Other liabilities	11,389,526	155,872,012	-	167,261,538
Liabilities on insurance products - separate account	508,192,350	(508,192,350)	-	-
Impact on Total liabilities		\$ (101,972,714)	32,911,669	
Unappropriated retained earnings	\$ 102,527,197	-	48,763,386	151,290,583
Other equity interest	(4,530,896)	-	(42,698,905)	(47,229,801)
Non-controlling interests	6,366,301	-	(966,142)	5,400,159
Impact on Total equity		\$ -	5,098,339	

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

- Receivables, other assets, accounts payable and provisions: Under IFRS 17, all future fulfilment cash flows must be taken into account when measuring groups of insurance contracts. Accordingly, balances of receivables, prepayments and payables related to all insurance contracts and reinsurance contracts held under IFRS 4—such as interest receivable on insurance contract loans and claims payable—are reclassified into insurance and reinsurance contract assets or liabilities upon adoption of IFRS 17.
- Loans: As noted above, upon adoption of IFRS 17, the cash flows related to insurance contract loans and premium loans are included in the fulfilment cash flows of the relevant groups of insurance contracts.
- Reserve for insurance with nature of financial instrument and Liabilities on insurance products, separated account : Investment-type products, traditional products and retirement pension that are investment contracts are classified as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost under IFRS 9; investment-type products that are insurance contracts are recognized as insurance contract liabilities under IFRS 17. In addition, financial liabilities used as hedging instruments for retirement pension and short-term debt are reclassified to assets on insurance products - separate account and short-term liabilities.
- Other: Reserve for foreign exchange valuation and regulatory liabilities are reclassified to other liabilities in accordance with the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.”

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

- Investments accounted for using equity method: The impact of the application of IFRS 17 by associates.
- Insurance and reinsurance contract assets and liabilities: Under IFRS 4, the Company and its subsidiaries measured insurance and reinsurance contract liabilities using statutory reserve methods prescribed by the relevant insurance regulations of the jurisdictions in which they operate.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Account payable: IFRS 17 requires measurement on an accrual basis; accordingly, commissions payable must be estimated for policies for which premiums are due but have not yet been paid.
- Deferred tax assets and liabilities: The estimated income tax effects of adjustments to retained earnings and other equity components.
- Retained earnings and other equity interest: As a result of applying IFRS 17, the Group remeasures insurance contracts as at the transition date and ceases to apply the overlay approach under IFRS 4 to present the profit or loss on designated financial assets; this affects the amounts of insurance finance income or expenses recognized in retained earnings and other equity components, as well as the amount of other comprehensive income reclassified using the overlay approach. Based on asset-liability management matching considerations, the Group redesignated financial assets in accordance with these rules on January 1, 2026; the related impact is described in Note 3(A)(i4)B).

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	<u>December 31, 2025</u> <u>Carrying amount</u>	<u>Reclassification</u>	<u>Remeasurements</u>	<u>January 1, 2026</u> <u>Carrying amount</u>	<u>Retained</u> <u>earnings</u>	<u>Other equity</u>
Financial assets measured at fair value through profit or loss (FVTPL)	\$ 1,475,479,571			1,475,479,571		
Subtractions:						
To FVOCI	-	(974,668,144)	-	(974,668,144)	-	-
Total changes of FVTPL	\$ 1,475,479,571	(974,668,144)	-	500,811,427	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)	\$ 449,749,057			449,749,057		
Additions :						
From FVTPL	-	974,668,144	-	974,668,144	8,811,218	(8,811,218)
From AC	-	558,340,576	(77,022,476)	481,318,100	-	(63,436,403)
Subtractions:						
To AC	-	(76,966,736)	-	(76,966,736)	-	-
Total changes of FVOCI	\$ 449,749,057	1,456,041,984	(77,022,476)	1,828,768,565	8,811,218	(72,247,621)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	December 31, 2025			January 1, 2026	Retained	Other equity
	<u>Carrying amount</u>	<u>Reclassificaton</u>	<u>Remeasurements</u>	<u>Carrying amount</u>	<u>earnings</u>	
Financial assets measured at	\$ 2,751,588,097			2,751,588,097		
amortized cost (AC)						
Additions :						
From FVOCI	-	76,966,736	4,022,635	80,989,371	-	3,218,108
Subtractions:						
To FVTPL	<u>-</u>	<u>(558,340,576)</u>	<u>-</u>	<u>(558,340,576)</u>	<u>-</u>	<u>-</u>
Total changes of AC	<u>\$ 2,751,588,097</u>	<u>(481,373,840)</u>	<u>4,022,635</u>	<u>2,274,236,892</u>	<u>-</u>	<u>3,218,108</u>

Note : Insurance contract groups measured under the Variable Fee Approach will, in conjunction with the re-designation of financial assets effective January 1, 2026, reallocate the insurance finance income or expenses transferred to retained earnings and the insurance finance income or expenses recognized in other comprehensive income. The impacts on retained earnings and other equity interest, respectively, amounted to \$(7,991,680) thousand and \$7,991,680 thousand.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(ii) Other amendments

The following amended standards became effective on January 1, 2026 and did not have a significant impact on the 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 expects to adopt the following newly issued and amended IFRS Accounting Standards beginning on January 1, 2027 and January 1, 2028, respectively. The potential impacts are as follows:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	The new standard allows eligible subsidiaries to apply the reduced disclosure requirements in the new standard while applying the requirements in other IFRS Accounting Standards except for the disclosure requirements. Eligible subsidiaries may voluntarily choose to apply the new standard in its financial statements provided that, at the reporting date: • it does not have public accountability; and • its ultimate or intermediate parent produces consolidated financial statements under IFRS Accounting Standards. A subsidiary applying the new standard is required to clearly state that the new standard has been adopted.	January 1, 2027

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	Due to the timing of IFRS 19’s publication in May 2024, disclosure requirements in new or amended IFRS Accounting Standards issued between 28 February 2021 and May 2024 were included in IFRS 19 without reductions. The IASB subsequently issued amendments to IFRS 19 in August 2025, which reduced the disclosure requirements for the relevant standards issued in that period.	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	IAS 21 “The Effects of Changes in Foreign Exchange Rates” currently does not provide specific guidance for translating a company’s financial statements from a non-hyperinflationary functional currency into a hyperinflationary presentation currency. To reduce diversity in practice, the amendments clarify: • a company with a non-hyperinflationary functional currency uses the closing rate at the latest reporting date when translating all the financial statement amounts (including comparatives) into its presentation currency; and • a company uses the closing rate at the latest reporting date when translating all amounts (except comparatives) of a foreign operation with a non-hyperinflationary functional currency and applies the general price index to restate the comparatives.	January 1, 2027

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Standards or Interpretations	Content of amendment	Effective date per IASB
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. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the 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.	January 1, 2027 Note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities intending to adopt the new standard earlier may do so with the endorsement of the FSC.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Standards or Interpretations	Content of amendment	Effective date per IASB
	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. The consequential amendments also provide specific guidance on the classification of interest and dividend cash flows.	
Amendments to IAS 28 “The Fair Value Option for Investments in Associates and Joint Ventures”	IAS 28“Investments in Associates and Joint Ventures”currently states when an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust or similar entity funds, the entity may elect to measure that investment at fair value through profit or loss in accordance with IFRS 9. The amendments clarify that“ similar entities” include “ entities that have a main business activity of investing in particular types of assets” , which is aligned with the definition under IFRS 18“ Presentation and Disclosure in Financial Statements”.	An entity shall apply these amendments in accordance with paragraph C7 of IFRS 18 when it applies IFRS 18.

The Group is currently assessing the impact of the aforementioned standards and interpretations on its financial position and operating results. The related impacts will be disclosed upon completion of the assessment.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	The amendments clarify that when an investor transfers its subsidiary to an associate or joint venture, if the assets sold or contributed constitute a business, the investor is deemed to have lost control of the business and should recognize the full gain or loss; if the assets do not constitute a business, the investor should recognize the unrealized gain or loss based on the proportion of ownership interest, and defer the recognition of the portion of gain or loss accordingly.	Effective date to be determined by IASB
IFRS20“Regulatory Assets and Regulatory Liabilities”	The new standard replaces IFRS 14 “Regulatory Deferral Accounts” . A company applies it if: • the company and a regulator are parties to an agreement which prescribes the regulated rate the company can charge customers; and • part of the total allowed compensation for goods or services delivered in one period is charged to customers in a different period – i.e. the agreement creates timing differences. Under the new accounting model, a company recognizes regulatory assets and regulatory liabilities, thereby enabling the total income recognized in a period under IFRS Accounting Standards to align with the total allowed compensation the company is entitled to earn for regulatory goods or services supplied in the period.	January 1, 2029

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group is currently assessing the impact of the aforementioned standards and interpretations on its financial position and operating results. The related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(A) Statement of compliance

The 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”), the rulings NO. Bao-Ju-Cai-Zi 1140495239, NO. Jin-Guan-Bao-Cai-Zi 1140131712 and with the International Accounting Standards 34 “Interim Financial Reporting” endorsed and issue into effect by the FSC. The consolidated financial statements do not include all of the information required for full annual consolidated financial statements prepared in accordance with the international financial reporting standards, international accounting standards, and interpretations endorsed and issue into effect by the FSC. (hereinafter referred to as “IFRS Accounting Standards endorsed by the FSC”).

Except 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.

(B) Basis of preparation

- (a) The consolidated financial statements comprise balance sheets, statements of comprehensive income, statements of changes in shareholders' equity, statements of cash flows, and related notes.
- (b) The consolidated financial statements have been prepared on a historical cost basis, except for the following items:
 - (1) Financial instruments, investment property, and assets classified as held for sale which are measured at fair value.
 - (2) Insurance and reinsurance contract assets and liabilities measured based on fulfilment cash flows and contractual service margin.
 - (3) Net defined benefit liabilities measured by the fair value of plan assets less the present value of the defined benefit obligation.
 - (4) Other reserves calculated and recognized pursuant to specific laws, regulations, and administrative orders issued by the competent authority for the insurance industry.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (c) The financial statements are presented in New Taiwan Dollar, the functional currency of the Company, and rounded to the nearest thousand, except where otherwise indicated.

(C) Basis of consolidation

The following entities have been included in the consolidated financial statements:

Investor Company	Subsidiary	Business Type	Stockholder's equity (Holding %)		
			June 30, 2026	December 31, 2025	June 30, 2025
The Company	Fubon Life Insurance (Vietnam)	Life insurance	100 %	100 %	100 %
The Company	Fubon Life Insurance (Hong Kong)	Life insurance	100 %	100 %	100 %
The Company	Fubon Hyundai Life Insurance (Note 1)	Life insurance	88.50 %	88.50 %	83.22 %
The Company	Carter Lane (Guernsey) Ltd.	Real estate investment and management	100 %	100 %	100 %
The Company	Bow Bells House (Jersey) Ltd. (Note 2)	Real estate investment and management	100 %	100 %	100 %
The Company	Fubon MTL Property (Jersey) Ltd. (Note 3)	Real estate investment and management	100 %	100 %	100 %
The Company	Fubon Ellipse (Belgium) S.A. (Note 4)	Real estate investment and management	100 %	100 %	100 %
The Company	Fubon Eurotower (Luxembourg) S. à r.l.	Real estate investment and management	100 %	100 %	100 %
The Company	Fubon Green Power CO., LTD.	Energy technology service	74.98 %	74.98 %	74.98 %
The Company	Fubon Life Singapore Pte. Ltd. (Note 5)	Financing business	100 %	100 %	-
Fubon Green Power	Li Tong Management Consulting Co., Ltd.	Energy technology service	100 %	100 %	100 %
Fubon Green Power	Sumray Power Company (Note 6)	Energy technology service	100 %	100 %	100 %

Note 1: The Group has completed the additional capital injection of KRW 700 billion on December 11, 2025.

Note 2: The Group was approved to conduct a capital injection of GBP 8,600 thousand by the Board of Directors on June 2, 2026. The capital injection was approved by the FSC on July 20, 2026. The Group will apply to the Department of Investment Review, MOEA for approval.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 3: The Group was approved to conduct a capital injection by the Board of Directors on April 21, 2026. The loan principal amount of GBP 143,475 thousand will be used as the consideration. The Group received the approval of the Department of Investment Review, MOEA on July 2, 2026, and the capital increase procedures are expected to be completed in the third quarter.

Note 4: The Group has completed the additional capital injection of EUR 92,301 thousand on February 18, 2025.

Note 5: The Group has completed its capital injection of USD 40,000 thousand on August 22, 2025.

Note 6: On March 21, 2025, the subsidiary, Fubon Green Power CO., LTD. (hereinafter referred to as “Fubon Green Power”), acquired the entire equity of Sumray Power Company (hereinafter referred to as “Sumray Power”) for a cash consideration of \$326,587 thousand. Subsequently, Sumray Power conducted a cash capital increase on May 26, 2025, wherein Fubon Green Power subscribed the amount of \$450,000 thousand, resulting in its total investment up to \$776,587 thousand.

(D) Foreign exchange

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated to the functional currency at the exchange rate at the date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured in terms of historical cost are translated to the exchange rate at the date of the transaction.

Foreign translation differences arising from settlement or retranslation are recognized in profit or loss, except for the following differences which are recognized in other comprehensive income arising on the retranslation:

- Equity instruments measured at fair value through other comprehensive income;
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- Qualifying cash flow hedges to the extent that the hedges are effective.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For financial assets directly held by the Company that are classified as debt instruments measured at amortized cost and for which the foreign currency risk component has not been designated in a hedging relationship, effective from 1 January 2026, the unrealized exchange differences arising in each period from the foreign currency amortized cost are amortized on a straight-line basis, on a bond-by-bond basis, over the expected remaining life of the debt instrument investment and recognized in exchange gains or losses. The unamortized cumulative net unrealized exchange differences are presented under “Other assets” or “Other liabilities”. Upon derecognition of a debt instrument, any unamortized portion is fully recognized in exchange gains or losses for the current period. For the related financial impacts, please refer to Note 6(B)(a).(5).

(E) Financial instruments

(a) Financial assets

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective from 1 January 2026, the Company assesses the contractual cash flow characteristics of passive, unleveraged, New Taiwan Dollar-denominated overseas bond ETFs by applying the “Practical Illustrative Example for the Insurance Industry on the Classification as FVOCI of Passive Unleveraged NT Dollar-Denominated Overseas Bond ETFs” issued by the Taiwan Insurance Institute, in accordance with the requirements in NO. Jin-Guan-Bao-Cai-Zi 1140131712 dated 12 March 2025.

(b) Financial liabilities

(1) Financial liabilities measured at fair value through profit or loss

Financial liabilities including held-for-trading, derivative, designated upon initial recognition are classified as financial liabilities measured at fair value through profit or loss, and financial liabilities arising from investment contracts measured at fair value through profit or loss. Financial liabilities measured at FVTPL are recognized at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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Financial liabilities measured at fair value through profit or loss and those designated as such at initial recognition are recognized as “financial liabilities measured at fair value through profit or loss” in the consolidated balance sheets. The changes in fair value are recognized as “gains or losses on financial assets or liabilities measured at fair value through profit or loss” in the consolidated statements of comprehensive income. However, the amount of change in the fair value of the financial liability designated as at fair value through profit or loss that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income, except that the treatment would create or enlarge accounting mismatch or it is a financial guarantee contract, and in this case, the Group will present all gains or losses on that liability in profit or loss.

Investment contracts measured at fair value through profit or loss refer to insurance contracts issued by insurers that are investment contracts without discretionary participation features. In accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises by Insurance Enterprises and IFRS 9, such contracts shall be recognized as financial liabilities measured at fair value through profit or loss.

(2) Financial liabilities measured at amortized cost

“Financial liabilities arising from investment contracts measured at amortized cost” refers to contracts issued by insurance enterprises that are investment contracts without discretionary participation features and that, in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and IFRS 9, are required to be recognized as financial liabilities measured at amortized cost.

(F) Insurance Contracts and Reinsurance Contracts Held

(a) **Measurement approach**

The Group applies the premium allocation approach (PAA) to groups of insurance contracts with a coverage period of one year or less; applies the variable fee approach (VFA) to groups of insurance contracts with direct participation features; and applies the general measurement model (GMM) to all other groups of insurance contracts.

(b) **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).

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The Group considers all of its substantive rights and obligations (whether arising from contract, law or regulation) on a contract-by-contract basis in assessing whether significant insurance risk has been transferred.

Certain insurance contracts issued by the Group are insurance contracts with direct participation features, which primarily provide investment-related services under which the policyholder can share in the returns on the underlying items. Underlying items are the clearly identified pool of assets that the Group uses to determine the amounts payable to policyholders.

Insurance contracts with direct participation features are those for which, at inception:

- 1) the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- 2) the Group expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- 3) the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in the fair value of the underlying items.

The Group assesses, on a contract-by-contract basis, whether these criteria are met based on expectations at inception of the contract, and does not reassess those conditions subsequently unless the contract is modified. The variability of cash flows is assessed over the entire expected duration of the contract, with the duration determined by reference to all cash flows within the contract boundary.

The Group uses judgement in assessing whether the amounts expected to be paid to policyholders represent a substantial share of the fair value returns on the underlying items.

(2) Investment contracts with discretionary participation features issued

Certain investment contracts issued by the Group contain discretionary participation features that provide the investor with a contractual right to receive, as a supplement to an amount not subject to the Group's discretion, additional amounts that are based on the returns of a specified pool of assets, the amount and timing of which are at the discretion of the Group and which are expected to be a significant portion of the total contractual benefits. The Group accounts for such contracts in accordance with IFRS 17.

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(3) Reinsurance contracts held

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

(c) Separation of components from insurance contracts

The Group assesses, in accordance with IFRS 17, whether an insurance contract contains components that are required to be separated. The Group has no insurance contracts that require further separation.

(d) Level of aggregation of contracts

(1) Insurance contracts

The Group manages insurance contracts issued by product line, and contracts within each product line share similar risks. Accordingly, all insurance contracts within the same product line are treated as a portfolio of insurance contracts. 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 and, at initial recognition, is divided into:

- 1) a group of contracts that are onerous;
- 2) a group of contracts that, at initial recognition, have no significant possibility of becoming onerous subsequently; and
- 3) a group of the remaining contracts in the portfolio.

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.

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(2) Reinsurance contracts held

The level of aggregation for portfolios of reinsurance contracts held is determined separately from the portfolios of insurance contracts issued. For the purpose of applying the aggregation requirements, the reinsurance contracts held that are issued within a period of no more than one year are, at initial recognition, divided into:

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

The level of aggregation for reinsurance contracts held is assessed at the individual-contract level, and the Group tracks internal management information to reflect the historical performance of such contracts.

(e) Timing of initial recognition of contracts

(1) Insurance contracts

A group of insurance contracts issued is recognized from the earliest of the following:

- 1) the beginning of the coverage period of the group of contracts;
- 2) the date when the first payment from a policyholder in the group becomes due; and
- 3) for a group of onerous contracts, when the group becomes onerous.

Investment contracts with discretionary participation features are recognized from the date on which the Group becomes a party to the contract.

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.

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(2) Reinsurance contracts held

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

- 1) the beginning of the coverage period of the group of reinsurance contracts held; and
- 2) 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.

The Group delays recognition of a group of reinsurance contracts held that provides proportionate coverage until the date of initial recognition of any underlying insurance contract, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held.

- (3) Only contracts that individually meet the recognition criteria before the end of the reporting period are included in a group of contracts. If a contract meets the criteria for inclusion in a group only after the end of the reporting period, it is included in the group in the reporting period in which it meets the criteria, subject to the annual cohort restriction.

(f) 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.

1) Fulfilment cash flows

- a) 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:
 - i) estimates of future cash flows;
 - ii) 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
 - iii) a risk adjustment for non-financial risk.

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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.

b) 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.

For investment contracts with discretionary participation features issued, cash flows are within the contract boundary if they arise from a substantive obligation of the Group to deliver cash at a present or future 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.

The proportionate reinsurance contracts held by the Group (including quota-share reinsurance and surplus reinsurance) do not have a contractual expiry date, but for new business either the Group or the reinsurer may unilaterally notify the other of the cancellation of cessions of new business for the following year. Therefore, the Group treats such reinsurance contracts as a series of annual contracts covering the new business issued within one year. The measurement of the reinsurance contracts includes estimates of future cash flows of all contracts already issued and the new contracts expected to be issued before year-end.

The excess-of-loss reinsurance contracts held provide coverage for claims that occur during the accident year. Accordingly, all cash flows arising from claims that have occurred and are expected to occur during the accident year are included in the measurement of the groups of reinsurance contracts held.

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c) Insurance acquisition cash flows

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

- i) insurance acquisition cash flows that are directly attributable to a group of insurance contracts, and to allocate those to that group and to the groups that will include the insurance contracts expected to arise from renewals of the insurance contracts in that group; and
- 2) insurance acquisition cash flows that are not directly attributable to a group of insurance contracts but are attributable to a portfolio of insurance contracts, and to allocate those to the existing and expected groups of insurance contracts in the portfolio.

d) Risk adjustment for non-financial risk

The Group shall adjust the estimates of the present value of future cash flows to reflect the compensation the Group requires for bearing the uncertainty in the amount and timing of cash flows arising 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.

2) **Contractual service margin**

a) 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.

If the total calculated results in a net outflow, the group of insurance contracts is onerous at initial recognition. The Group immediately recognizes the net outflow amount as a loss in profit or loss, so that the carrying amount of the liability for the group equals the fulfilment cash flows, the contractual service margin of the group is zero, and a loss component is established at the amount of the loss recognized.

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b) 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.

Where an onerous group of insurance contracts includes onerous insurance contracts that are covered by a group of reinsurance contracts held as well as 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 on the group of insurance contracts that relates to insurance contracts covered by the group of reinsurance contracts held.

(2) Subsequent measurement – groups of contracts not measured under the premium allocation approach

1) Changes in fulfilment cash flows

- a) 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:
 - i) changes that relate to current or past service are recognized in profit or loss; and
 - ii) changes that relate to future service are recognized by adjusting the contractual service margin or the loss component.
- b) 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:
 - i) experience adjustments arising from premiums received in the period that relate to future service and related cash flows;
 - ii) changes in the estimates of the present value of future cash flows of the liability for remaining coverage;
 - iii) differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period;

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- iv) differences between any loan to the policyholder expected to become repayable in the period and the actual loan to the policyholder that becomes repayable in the period; and
- v) changes in the risk adjustment for non-financial risk that relate to future service.

The adjustments in 1) and 2) above are measured at the discount rates determined at initial recognition.

- c) 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:
 - i) 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;
 - ii) changes in the estimates of the fulfilment cash flows of the liability for incurred claims;
 - iii) premiums received in the period that do not relate to future service and related cash flows; and
 - iv) experience adjustments relating to insurance service expenses (other than insurance acquisition cash flows).
- d) For investment contracts with discretionary participation features measured under the general measurement model, the Group has discretion over the amounts and timing of payments to policyholders. Changes in discretionary cash flows are regarded as relating to future service and accordingly adjust the contractual service margin. At initial recognition, the Group specifies its commitment to the policyholder as the declared crediting rate, which is determined based on the investment returns of the segregated assets less a related spread. The effect of discretionary changes on that commitment adjusts the contractual service margin, while the effect of changes in assumptions related to financial risk on that commitment does not adjust the contractual service margin and is recognized in insurance finance income or expenses.

If, at inception of the contract, the Group has not specified what it regards as its commitment and what it regards as discretionary, the Group recognizes the effect of all changes in assumptions related to financial risk on that commitment in insurance finance income or expenses.

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- e) For insurance contracts measured under the variable fee approach, changes in fulfilment cash flows that relate to future service adjust the contractual service margin of a group of insurance contracts, including:
- i) changes in the amount of the Group's share of the fair value of the underlying items; and
 - ii) changes in fulfilment cash flows that do not vary based on returns on the underlying items:
 - changes in the time value of money and financial risks, including the effect of financial guarantees;
 - experience adjustments arising from premiums received in the period that relate to future service and related cash flows;
 - changes in the estimates of the present value of future cash flows of the liability for remaining coverage;
 - differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period;
 - differences between any loan to the policyholder expected to become repayable in the period and the actual loan to the policyholder that becomes repayable in the period; and
 - changes in the risk adjustment for non-financial risk that relate to future service.

All of the adjustments above, except for changes in the time value of money and financial risks, are measured using current discount rates.

- f) For insurance contracts measured under the variable fee approach, the following changes in fulfilment cash flows do not adjust the contractual service margin of a group of insurance contracts:
- i) changes in the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
 - ii) changes in fulfilment cash flows that do not vary based on returns on the underlying items:
 - changes in the estimates of fulfilment cash flows of the liability for incurred claims;

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- premiums received in the period that do not relate to future service and related cash flows; and
 - experience adjustments relating to insurance service expenses (other than insurance acquisition cash flows).
- 2) The Group includes within the liability for remaining coverage those liabilities in respect of claims already incurred that continue to carry insurance risk.
- 3) The Group does not have any products containing complex guarantees and does not use derivatives to hedge financial risks.
- 4) **Adjustments to the contractual service margin**
- a) 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:
- i) the effect of any new contracts added to the group;
 - ii) interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at initial recognition;
 - iii) changes in fulfilment cash flows that relate to future service, 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;
 - iv) the effect of any foreign exchange differences on the contractual service margin; and

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- v) the amount recognized as insurance revenue because of the transfer of services in the period, determined by allocating the contractual service margin remaining at the end of the reporting period (before any allocation) over the current and remaining coverage period.
- b) 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:
 - i) the effect of any new contracts added to the group;
 - ii) interest accreted on the carrying amount of the contractual service margin during the reporting period, measured at the discount rates determined at initial recognition;
 - iii) 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;
 - iv) 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;
 - v) 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;
 - vi) the effect of any foreign exchange differences on the contractual service margin; and
 - vii) the amount recognized in profit or loss because of the services received in the period, determined after completing all the adjustments above.

For the purpose of calculations under iii) and iv) 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.

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c) 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. The weighted-average discount rate is determined by multiplying the ratio of the contractual service margin of each newly added contract to the contractual service margin of the group as a whole by the corresponding discount rate applicable to the newly added contract.

The Group uses the discount rate described above to adjust the contractual service margin for changes in fulfilment cash flows that relate to future service.

d) 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, investment-return service to policyholders, and investment-related service in managing underlying items on behalf of policyholders. The period during which investment-return service or investment-related service is provided ends on or before the date on which all amounts payable to current policyholders relating to such services have been paid. The Group provides an investment-return service for insurance contracts without direct participation features if, and only if, an investment component exists, or the policyholder has a right to withdraw an amount, and the Group expects the investment component or the amount the policyholder has a right to withdraw to include an investment return and expects to perform investment activities to generate that return.

The Group determines coverage units by taking into account the benefit amounts of each contract over its expected coverage period. For insurance coverage, the Group uses the amount of benefit the policyholder is able to validly claim in each period upon the occurrence of an insured event. For investment-return service and investment-related service, the Group uses the policyholder's investment component as the benefit amount provided.

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The total number of coverage units of a group of contracts is the total quantity of coverage provided by all the contracts in the group over their expected coverage period. At the end of each reporting period, the Group determines coverage units prospectively, taking into account:

- i) the quantity of benefits provided by the contracts in the group;
 - ii) the expected coverage period of the contracts in the group; and
 - iii) the likelihood of the occurrence of an insured event, to the extent that it affects the expected coverage period of the contracts in the group.
- e) 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 within the fulfilment cash flows:

- i) 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;
- ii) changes in the risk adjustment for non-financial risk; and
- iii) insurance finance income or expenses.

The allocations in i) and ii) 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

1) Insurance contracts

The Group applies the premium allocation approach to measure insurance contracts with a coverage period of one year or less. This measurement approach is used for contracts with a coverage period of less than one year, such as the main accident insurance contracts, group insurance, and travel accident insurance.

For insurance contracts issued, the Group recognizes insurance acquisition cash flows allocated to a group of contracts as expenses when they are incurred.

For insurance contracts issued, at initial recognition, the Group measures the liability for remaining coverage as the premiums received, 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, at the end of each subsequent reporting period, the carrying amount of the liability for remaining coverage is the carrying amount at the beginning of the reporting period:

- a) plus the premiums received in the period; and
- b) minus the amount recognized as the allocation of premiums paid for services expected to be received in the period.

2) Reinsurance contracts held

The Group's excess-of-loss reinsurance contracts held provide coverage for catastrophe losses occurring within a single accident year and for group insurance contracts, and are therefore measured under the premium allocation approach.

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.

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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:

- a) plus the reinsurance premiums paid in the period; and
 - b) minus the amount recognized as the allocation of premiums paid for services expected to be received in the period.
- 3) Insurance contracts issued and reinsurance contracts held measured by the Group under the premium allocation approach do not contain any investment components. As the premiums of the contracts are due within the coverage period and within one year, the Group does not adjust the liability for remaining coverage of insurance contracts issued for the time value of money.

For contracts measured under the premium allocation approach, the 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.

- 4) 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.

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- 5) 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.

Changes in the loss-recovery component are split proportionately between net income or expenses from reinsurance contracts held and insurance finance income or expenses, depending on whether they are driven by the effects of the time value of money on the underlying contracts, financial risk, or changes in the component itself.

The Group does not have any reinsurance contracts held measured under the general measurement model for which the underlying insurance contracts are measured under the premium allocation approach.

(g) 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

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- (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:
- 1) 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:
 - a) the modified contract would have been outside the scope of IFRS 17;
 - b) the modification would have separated different components from the host insurance contract, resulting in different insurance contracts to which IFRS 17 would have applied;
 - c) the modified contract would have had a substantially different contract boundary; or
 - d) the modified contract would have been included in a different group of contracts;
 - 2) the original contract met the definition of an insurance contract with direct participation features but the modified contract no longer meets that definition (or vice versa); or
 - 3) 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.

(h) Insurance service result – insurance contracts issued

(1) 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.

For insurance contracts not measured under the premium allocation approach, insurance revenue includes the following:

- 1) Amounts arising from changes in the liability for remaining coverage:
 - a) the insurance service expenses incurred in the period, measured at the amounts expected at the beginning of the period, excluding:
 - i) amounts allocated to the loss component of the liability for remaining coverage;

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- ii) repayments of investment components;
 - iii) amounts relating to transaction-based taxes collected on behalf of third parties;
 - iv) insurance acquisition expenses; and
 - v) amounts relating to the risk adjustment for non-financial risk;
 - b) the change in the risk adjustment for non-financial risk, excluding:
 - i) changes that relate to future service; and
 - ii) amounts allocated to the loss component of the liability for remaining coverage;
 - c) the amount of the contractual service margin recognized in profit or loss in the period; and
 - d) experience adjustments arising from premiums received that do not relate to future service.
 - e) other amounts, including any other pre-initial-recognition cash flow assets derecognized at the date of initial recognition.
- 2) 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.
- 3) 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.

(2) Insurance service expenses

Insurance service expenses include the following:

- 1) incurred claims (excluding investment components) and other incurred insurance service expenses;
- 2) amortization of insurance acquisition cash flows.

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- 3) changes relating to past service, i.e. changes in fulfilment cash flows relating to the liability for incurred claims; and
- 4) changes relating to future service, i.e. losses on groups of onerous contracts and reversals of such losses.

For insurance contracts not measured under the premium allocation approach, the amortization of insurance acquisition cash flows is reflected in insurance service expenses and equals the amount of the recovery of insurance acquisition cash flows reflected in insurance revenue. For groups of contracts applying the premium allocation approach, insurance acquisition cash flows are recognized directly in insurance service expenses when incurred.

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.

(i) Insurance service result – reinsurance contracts held

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

- (1) For reinsurance contracts 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 that relate to future service; and
 - b) 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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- 4) experience adjustments arising from premiums paid that do not relate to future service.
- (2) For reinsurance contracts held measured under the premium allocation approach, the Group recognizes the allocation of reinsurance premiums paid on the basis of the passage of time over the coverage period of the group of contracts.
- (3) 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 onerous groups of underlying contracts issued: income recognized on the reinsurance contracts held measured under the general measurement model for losses recognized on initial recognition of onerous underlying contracts, reversals (other than those arising from changes in fulfilment cash flows) of the loss-recovery component for reinsurance contracts held measured under the general measurement model, and amounts arising from changes in fulfilment cash flows on onerous underlying contracts.
- (4) Changes in the risk of non-performance by the reinsurer.

(j) Insurance finance income or expenses

- (1) 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.
- (2) 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.

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- (3) For contracts measured under the variable fee approach, insurance finance income or expenses include changes in the value of the underlying items, other than additions and withdrawals.
- (4) 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.
- (5) 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.
- (6) For contracts measured under the general measurement model, the Group chooses to disaggregate insurance finance income or expenses for the period, including an amount in profit or loss and the remaining amount in other comprehensive income. The amount included in profit or loss is determined by a systematic allocation of the total expected insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the following rates:
 - 1) for groups of insurance contracts for which changes in assumptions related to financial risk do not have a substantial effect on the amounts paid to policyholders, the systematic allocation is determined using the discount rates at initial recognition; and
 - 2) for groups of insurance contracts for which changes in assumptions related to financial risk have a substantial effect on the amounts paid to policyholders, a constant rate is used to allocate the remaining modified expected finance income or expenses over the remaining duration of the group of contracts.
- (7) For contracts measured under the variable fee approach, except for investment-linked product portfolios for which the Group elects to include insurance finance income or expenses for the period in profit or loss, the Group chooses to disaggregate insurance finance income or expenses for the period, including an amount in profit or loss that eliminates the accounting mismatch with income or expenses recognized in profit or loss on the underlying items held, and the remaining amount in other comprehensive income.
- (8) For contracts measured under the premium allocation approach, the Group adjusts the fulfilment cash flows relating to incurred claims for the time value of money and, analogously to the treatment of contracts under the general measurement model, chooses to disaggregate insurance finance income or expenses for the period, including an amount in profit or loss and the remaining amount in other comprehensive income, with the amount included in profit or loss determined by a systematic allocation of the total expected insurance finance income or expenses over the duration of the group of contracts.

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(k) 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.

(G) Investment contracts without discretionary participation features

The Group conducts insurance business involving investment contracts without discretionary participation features. Such contracts mainly comprise separate account insurance products and do not involve the transfer of significant insurance risk. These contracts are separated into two components: an investment contract and an investment management service contract. Ongoing fees depend on whether investment management services are provided and are attributed to the investment management service component. To the extent that the amounts collected from the customer exceed the fair value of the investment contract issued, the excess is attributed to the investment service component as a front-end fee.

(a) Investment contracts

When the Group becomes a party to the contractual provisions of the instrument, a financial liability is recognized, representing the Group’s contractual obligation to transfer the returns on the underlying investments, after deducting investment management fees, to the counterparty. The financial liability is derecognized when the obligation specified in the contract expires, is discharged or is cancelled. Amounts received and paid relating to the financial instrument component are adjusted against the financial liability.

Financial liabilities arising from investment contracts are designated as at fair value through profit or loss at initial recognition. This is because such liabilities, together with the related assets, are managed and their performance is evaluated on a fair value basis. Their fair value represents the amount payable on demand, as the holder may cancel the contract at any time after inception.

(b) Investment management service contracts

Ongoing fees are calculated on a daily basis and recognized as revenue. Non-refundable front-end fees give rise to a material right to future investment management services and are recognized as revenue over the period during which the customer is expected to continue receiving the investment management services.

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Incremental costs incurred by the Group to obtain investment contracts are recognized as assets unless the Group does not expect to recover such costs. These costs are amortized on a straight-line basis over the estimated term of the contract and are regularly reviewed for impairment. Such costs are presented under “Other assets” in the balance sheet, and their amortization and any impairment losses are presented under “Other operating costs” in the statement of comprehensive income.

(H) Reserve for foreign exchange valuation

Commencing in February 2026, the Group sets aside a volatility reserve and a fixed reserve under liabilities in respect of its foreign investments, in accordance with the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and the “Guidelines for the Reserve for Fluctuation of Foreign Exchange Rates for Life Insurance Enterprises”.

Where the Group has after-tax earnings for the year, it shall appropriate ten percent (10%) of such amount as a special reserve – foreign exchange risk fixed reserve. The after-tax amount of the fixed reserve appropriated in the current year may be applied as a deduction from the amount required to be appropriated to the special reserve – foreign exchange risk fixed reserve. When the balance of the special reserve – foreign exchange risk fixed reserve reaches twice the after-tax amount of the accumulated cap of the fixed reserve, no further appropriation is required for that year. The aforementioned special reserve shall not be reversed for any other use, except with the approval of the competent authority. In addition, the Group shall annually appropriate a special reserve – foreign exchange risk enhancement reserve. The after-tax amount of the fixed reserve appropriated in the current year, after being applied as a deduction from the special reserve – foreign exchange risk fixed reserve, and with any remaining balance, may be applied as a deduction from the special reserve – foreign exchange risk enhancement reserve. Where the unappropriated earnings for the current year are insufficient to cover the transfer, the shortfall shall be made up in subsequent years. The aforementioned special reserve may only be reversed for the purpose of capitalisation of earnings and may not be used for the distribution of cash dividends, except with the approval of the competent authority.

(I) Other liabilities

(a) Reserve for interest margin and mortality margin

Starting from 2003, for effective insurance contracts which adopt the dividend calculation formula prescribed under the NO. Jin-Guan-Bao-Cai-Zi 11004931041 letter, the policy reserve is provided based on the currently reduced amount of dividend caused by the offset between interest margin and mortality margin for long-term effective insurance contracts.

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(b) Other

In accordance with NO. Jin-Guan-Bao-Cai-Zi 11404924811, the Group adjusted the calculation basis for the provision of policy reserves while simultaneously releasing the excess amount of policy reserves obtain by the difference between prior to the adjustment and the recalculated amount. The recalculated policy reserves reflect the adjustments made to the reserve basis for certain effective insurance contracts that met the conditions set forth in the directive. These adjustments include raising the policy reserve interest rate within a range of 25 basis points, or a revision of mortality assumptions based on the Sixth Mortality Table of Taiwan's life insurance industry as promulgated under NO. Jin-Guan-Bao-Cai-Zi 11004909551, or a concurrent application of both adjustments. The related amounts were recognized under “Other liabilities” at the transition date on first-time application of IFRS 17, and the amount released in June 2025 is disclosed in Note 6(V).

(J) Employee benefits

Pension cost for an interim period is calculated on a year to date basis by using the actuarially determined pension cost rate at the reporting date of prior year, adjusted for significant market fluctuations since the reporting date of prior year and for significant curtailments, settlements, or other significant one-time events.

(K) Income Taxes

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

Income tax expenses for the period are best estimated by multiplying pretax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

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 at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

5. SIGNIFICANT ACCOUNTING ASSUMPTIONS AND JUDGMENTS, AND MAJOR SOURCES OF ESTIMATION UNCERTAINTY

In preparing these consolidated financial statements, 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 amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group’s risk management where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The information below relates to the key sources of uncertainty in the assumptions and estimates underlying future projections, which may have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial reporting period. Those assumptions and estimates have been updated to reflect the impact of the international conflicts:

- (A) The expected credit losses of the investments in debt instrument, loans classified as subsequently measured at amortized cost or fair value through other comprehensive income and related receivable.

The financial asset impairments of the Group, measuring the loss allowance at an amount equal to 12-month expected credit losses or lifetime expected credit losses, are determined by whether the credit risk of the financial instruments have increased significantly since initial recognition. In order to measure expected credit losses, the Group consider the probability of default (“PD”) of financial asset, issuer or counterparty, and include loss given default (“LGD”) multiplied by exposure at default (“EAD”). Meanwhile, it also considers the impact of the time value of money to calculate the expected credit losses for 12-month and lifetime, respectively. At every reporting date the historical experience, current market situation and forward-looking estimates, etc. are considered by the Group to determine the adopted assumptions and parameters when calculating impairment.

For further explanation of the related assumptions and parameters, please refer to Note 6(AF).

- (B) Fair value of financial instruments

The fair value of financial instruments without active markets or public markets is based on pricing models or quoted prices from counter parties. If pricing model was used to determine the fair value, to the extent possible, the data which is observable information without adjustments input into the model. The observable information is based on the market parameters with long-term stability to avoid differences caused by the changes in source data. Testing and verification has to be done repeatedly to ensure that the results reflect asset value adequately.

Please refer to Note 6(AF) for sensitivity analysis of financial instruments.

- (C) Fair value of investment property

The fair value of investment property is derived from valuation techniques, such as income approach, sales comparison method or cost approach. Assumptions which are used in applying valuation techniques will have impacts on the fair value of investment property.

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(D) Insurance liability and provision for investment-linked insurance contracts

In measuring insurance contracts, reinsurance contracts held and investment contracts, the Group is required to make the following significant judgements:

(a) Contract classification

Assessing whether a contract transfers significant insurance risk, and whether it contains direct participation features, in order to determine the classification between insurance contracts and investment contracts.

(b) Level of aggregation 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, at initial recognition, of whether a contract is onerous, or whether there is no significant possibility of it becoming onerous subsequently, is based on:

- the likelihood of changes in assumptions that, were they to occur, would cause the contracts to become onerous; and
- information derived from estimates of the profitability of the group of contracts.

(c) Measurement of insurance contracts and reinsurance contracts not measured under the premium allocation approach

A group of insurance contracts is measured as the sum of the fulfilment cash flows of the contracts and the contractual service margin (CSM), recognized as an asset or a liability. Fulfilment cash flows represent the present value of expected future cash outflows less the present value of expected future cash inflows, together with a risk adjustment for non-financial risk. In estimating the fulfilment cash flows and the risk adjustment for non-financial risk, the assumptions and techniques applied are based on the terms of the contracts and the Group's actual experience. Significant judgement is required by the Group in assessing the appropriate assumptions and techniques.

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 the coverage units of the group of contracts; that is, the contractual service margin at the end of the period is allocated equally to services provided in the current period and services expected to be provided in the future. Coverage units represent the quantity of services to be provided by the contracts within a group, and the Group determines the number of coverage units for each group of insurance contracts by considering the quantity of services provided by each contract and its expected coverage period.

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Except for certain modifications required by IFRS 17 in 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: when measuring reinsurance contracts held, the Group uses assumptions consistent with those used for the underlying insurance contracts to measure the estimates of the present value of future cash flows for a group of reinsurance contracts held, and incorporates the effect of any risk of non-performance by the issuer of the reinsurance contracts. The risk adjustment for non-financial risk is determined to represent the amount of risk being transferred by the holder of the reinsurance contracts to the issuer of those contracts. The contractual service margin at initial recognition reflects the net cost or net gain of purchasing the reinsurance.

Judgements 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.

- (d) Transition: determining whether reasonable and supportable information is available to apply the full retrospective approach, the modified retrospective approach or the fair value approach.
- (e) Information about the assumptions involved in the measurement of insurance contracts and reinsurance contracts is disclosed in Note 6(U), including assumptions related to future cash flows, such as those related to loss ratios and discount rates (including the illiquidity premium). Changes in key assumptions may materially change the estimates of fulfilment cash flows for the next financial year; however, such changes will adjust the contractual service margin and will not affect the carrying amounts of the related insurance contracts and reinsurance contracts, unless those changes arise from onerous contracts or relate to items that 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	\$ 31,147	30,857	29,499
Demand deposits and check deposits	189,900,784	155,595,677	151,064,398
Time deposits	69,604,994	123,486,747	139,455,405
Cash equivalents	69,440,226	111,552,273	105,834,629
	<u><u>\$ 328,977,151</u></u>	<u><u>390,665,554</u></u>	<u><u>396,383,931</u></u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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(B) Financial assets and liabilities

(a) The details of the financial assets and liabilities are as follows:

(1) Receivables:

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable	\$ 48,089	16,837	48,339
Interest receivable	34,776,787	31,118,638	27,957,615
Other accounts receivable	72,445,986	38,179,800	47,680,722
Overdue receivable	3,874,685	3,339,170	2,715,215
Less: Loss allowance	<u>(4,588,527)</u>	<u>(4,018,423)</u>	<u>(3,365,555)</u>
	<u>\$ 106,557,020</u>	<u>68,636,022</u>	<u>75,036,336</u>

Movements between the beginning balance and the ending balance for loss allowance for receivables are as follows:

	For the six months ended June 30,	
	2026	2025
Beginning balance	\$ 4,018,423	3,245,650
Effects of retrospective application and retrospective restatement	57	-
Balance at beginning of period after adjustments	4,018,480	3,245,650
Recognition of impairment losses	571,125	191,022
Less: Amounts written off	(348)	(69,178)
Effect of changes in foreign exchange rates and others	<u>(730)</u>	<u>(1,939)</u>
Ending balance	<u>\$ 4,588,527</u>	<u>3,365,555</u>

The aging analyses of receivables were determined as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Current / Past due within 3 months	\$ 107,156,206	69,254,481	75,686,730
Past due within 3-6 months	32,519	33,300	29,080
Past due within 6-12 months	569,857	482,931	458,591
Past due for over 12 months	<u>3,386,965</u>	<u>2,883,733</u>	<u>2,227,490</u>
Total	<u>\$ 111,145,547</u>	<u>72,654,445</u>	<u>78,401,891</u>

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

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 167,424	4,502	3,653,350
Foreign exchange swaps	9,469	46,281	36,649,708
Option contracts	-	-	362,548
Others	10,552	8,893	7,828
Non-derivative financial assets			
Stocks	129,279,491	593,443,734	547,145,009
Government bonds	248,981	4,047,084	3,373,999
Corporate bonds	-	2,848,069	1,716,087
Financial bonds	51,486,795	46,272,698	39,464,674
Beneficiary certificates	280,443,257	762,495,217	818,705,315
Asset securitization products	2,279,442	2,269,619	2,131,276
Structured products	50,226,080	58,564,732	49,136,673
Others	<u>4,331,634</u>	<u>5,478,742</u>	<u>9,077,805</u>
Total	<u><u>\$ 518,483,125</u></u>	<u><u>1,475,479,571</u></u>	<u><u>1,511,424,272</u></u>
Financial liabilities held-for-trading:			
Derivative instruments not used for hedging			
Forward exchange contracts	\$ 238,726	242,487	13,500,835
Foreign exchange swaps	6,921,523	14,496,440	1,955,741
Financial liabilities measured at fair value through profit and loss for investment contracts			
Investment-linked insurance policy	217,655,837	192,936,056	(172,824,725)
Total	<u><u>\$ 224,816,086</u></u>	<u><u>207,674,983</u></u>	<u><u>188,281,301</u></u>

- 1) Refer to Note 3(A) for details of the redesignation of financial assets by the Group on January 1, 2026 upon initial adoption of IFRS 17.

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- 2) The changes in investment contracts measured at fair value through profit or loss of the Group are as follows:

	For the six months ended June 30,	
	2026	2025
Beginning balance	\$ 192,936,056	178,353,973
Addition	30,663,976	18,379,968
Net change	18,044,842	(8,295,418)
Payment	(23,989,037)	(15,613,798)
Ending balance	<u><u>\$ 217,655,837</u></u>	<u><u>172,824,725</u></u>

- (3) Financial assets measured at fair value through other comprehensive income:

	June 30, 2026	December 31, 2025	June 30, 2025
Debt instruments measured at fair value through other comprehensive income:			
Government bonds	\$ 179,469,369	138,950,386	123,626,280
Corporate bonds	558,762,997	211,671,025	102,928,729
Financial bonds	130,395,766	46,618,018	24,791,416
Asset securitization products	4,121,312	10,462,508	10,486,056
Beneficiary certificates	481,313,665	-	-
Others	-	10,499,082	3,001,593
Subtotal	<u>1,354,063,109</u>	<u>418,201,019</u>	<u>264,834,074</u>
Equity instruments measured at fair value through other comprehensive income:			
Stocks	684,658,585	41,260,393	18,713,124
Beneficiary certificates	<u>68,325,851</u>	<u>-</u>	<u>-</u>
Subtotal	<u>752,984,436</u>	<u>41,260,393</u>	<u>18,713,124</u>
Less: Statutory deposits	<u>(9,657,456)</u>	<u>(9,712,355)</u>	<u>(9,635,282)</u>
Total	<u><u>\$ 2,097,390,089</u></u>	<u><u>449,749,057</u></u>	<u><u>273,911,916</u></u>

- 1) Equity instruments measured at fair value through other comprehensive income

Part of equity instruments is not held for trading. Therefore, they have been designated as equity instruments measured at fair value through other comprehensive income.

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The Group's dividend income related to equity instruments designated to be measured at fair value through other comprehensive income is recognized as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Derecognized during the period	\$ 34,018	-	82,662	-
Held at the end of the period	3,676,829	37,997	6,014,158	37,997
Total	<u>\$ 3,710,847</u>	<u>37,997</u>	<u>6,096,820</u>	<u>37,997</u>

The Group has sold stocks designated to be measured at fair value through other comprehensive income as a result of managing and rearranging portfolio. Details are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Fair value at disposal	\$ <u>344,510,693</u>	<u>-</u>	<u>667,570,312</u>	<u>-</u>
Cumulative gains on disposal (after tax)	<u>\$ 55,477,706</u>	<u>-</u>	<u>87,644,171</u>	<u>-</u>

- 2) Please refer to Note 6(AF) for further information of credit risk and market risk.
- 3) The guarantee of the financial assets measured at fair value through other comprehensive income provided as pledged assets, please refer to Note 8 "Assets Pledged as Security".
- 4) The Group assesses the impairment of financial assets on June 30, 2026 and 2025. Refer to Note 6(AF) for the movement in the loss allowance of debt instruments measured at FVOCI.
- 5) Refer to Note 3(A) for details of the redesignation of financial assets by the Group on January 1, 2026 upon initial adoption of IFRS 17.
- 6) The net income(loss) plus the cumulative of disposal of investments in equity instruments designated at FVOCI (after tax) for the six months ended June 30, 2026 and 2025 were \$143,645,254 thousand and \$(80,948,884) thousand ,respectively. The disclosure provides relevant information to financial statement users to enable them to understand the impact of such disposal transactions on the entity's financial performance.

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(4) Financial instruments used for hedging:

The details are as follows:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fair value hedge:			
Financial assets for hedging:			
Forward exchange contracts	\$ -	-	2,636
Foreign exchange swaps	74,153	548,996	513,386
Financial liabilities for hedging:			
Forward exchange contracts	-	-	(94)
Foreign exchange swaps	(2,825,552)	(1,613,485)	(1,061,972)
Cash flow hedge:			
Financial assets for hedging:			
Foreign exchange swaps	946	90,691	108,647
Cross currency swaps	-	54,632	164,361
Financial liabilities for hedging:			
Foreign exchange swaps	(710,239)	(179,908)	(7,801)
Cross currency swaps	(2,359,197)	(1,134,531)	(307,981)
Total	<u>\$ (5,819,889)</u>	<u>(2,233,605)</u>	<u>(588,818)</u>

(5) Financial assets measured at amortized cost:

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Government bonds	\$ 272,927,276	328,489,508	314,497,234
Corporate bonds	1,082,437,818	1,405,850,589	1,300,644,389
Financial bonds	859,052,296	936,581,400	871,984,737
Asset securitization products	30,204,210	26,897,610	33,120,960
Structured products	57,726,450	57,789,900	57,804,400
Negotiable certificates of deposit	6,367,400	6,287,600	5,980,400
Less: Statutory deposits	(7,579,302)	(7,577,883)	(7,576,448)
Subtotal	<u>2,301,136,148</u>	<u>2,754,318,724</u>	<u>2,576,455,672</u>
Less: Loss allowance	(3,633,716)	(2,730,627)	(2,610,766)
Total	<u>\$ 2,297,502,432</u>	<u>2,751,588,097</u>	<u>2,573,844,906</u>

- 1) Please refer to Note 6(AF) for further information of credit risk.
- 2) The guarantee of financial assets measured at amortized cost provided as pledged assets, please refer to Note 8 “Assets Pledged as Security”.
- 3) The Group assesses the impairment of financial asset on June 30, 2026 and For the Six Months Ended June 30, 2025. Please refer to Note 6(AF) for the movements in the loss allowance of financial assets measured at amortized cost.

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- 4) The gains/losses on sale of financial assets measured at amortized cost and the carrying amount at the date of derecognition are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Carrying amount at the date of derecognition	\$ <u>6,155,074</u>	<u>1,080,909</u>	<u>7,278,073</u>	<u>5,471,705</u>
Gains/Losses on sale	\$ <u>(320,624)</u>	<u>17,028</u>	<u>(429,677)</u>	<u>(188,135)</u>

The Group sold financial assets measured at amortized cost, primarily since other sales are infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

- 5) Refer to Note 3(A) for details of the redesignation of financial assets by the Group on January 1, 2026 upon initial adoption of IFRS 17.
- 6) Foreign exchange gain (loss) amortization method

Given the nature of the domestic life insurance industry, life insurance contracts are predominantly long-term in duration, and asset allocation is primarily concentrated in long-term fixed-income instruments. Due to persistently low domestic bond yields and the fact that the scale of the local bond market is significantly smaller than the total asset base of the insurance industry, life insurers have therefore sought sufficient and stable yields through overseas investments. In addition, for purposes of asset-liability management, funds are allocated based on liability characteristics to investment instruments that can match the long-term insurance liabilities.

The majority of such investments are held to fulfill policyholder obligations and are intended to generate stable returns. Accordingly, there is neither the necessity nor the likelihood of converting such foreign-currency-denominated fixed-income assets back into New Taiwan Dollars in the short term. These circumstances are consistent with the “special economic environment” as described in the NO. Bao-Ju-Cai-Zi 1140495239. Currently, foreign currency assets are measured using the closing exchange rate (i.e., the spot exchange rate at the end of the reporting period), and foreign exchange gains and losses are recognized in the income statement. This results in significant volatility in profits and losses. However, these amounts are not actually realized gains or losses and do not align with the actual operating performance of life insurance companies, potentially causing the financial statements to fail to present a fair view of operating results.

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Accordingly, effective January 1, 2026, pursuant to the proviso to Article 12, “Foreign Exchange Gains and Losses,” of the Regulations Governing the Preparation of Financial Reports, with respect to those debt instruments measured at amortized cost for which no hedge accounting has been designated for the foreign currency risk component, the Company applies the aforementioned proviso in accounting for foreign exchange gains and losses, so as to fairly present the Company’s financial position, financial performance, and cash flows.

Details for the financial impact as the following table:

	For the six months ended June 30, 2026				
	Not applied amount	Applied amount	Assets	Effect Liability	Net profit
Other liability-unamortized	\$ -	22,427,582	-	22,427,582	-
accumulated unrealized					
exchange gains (losses) for					
AC					
Unrealized foreign exchange					
 gains (losses) recognized in					
 profit or loss on AC debt					
 instruments					
closing exchange rate basis	6,088,497	6,088,497	-	-	-
amortized basis	22,804,134	376,552	-	-	22,427,582
Total			\$ -	22,427,582	22,427,582

(6) Other financial assets, net:

	June 30, 2026	December 31, 2025	June 30, 2025
Cash in bank	\$ 6,870,745	6,779,384	5,044,471
Less: Loss allowance	(2,903)	(3,248)	(3,405)
Subtotal	6,867,842	6,776,136	5,041,066
Less: Statutory deposits	(1,370,647)	(1,370,361)	(1,369,464)
Total	\$ 5,497,195	5,405,775	3,671,602

- 1) The cash in bank recognized under “Other financial assets” by the Group were provided as collateral. Consequently, the cash in bank and their corresponding allowance for impairment loss were reclassified from “Other financial assets” to “Refundable deposits.” Please refer to Note 6(M) and Note 8 for detailed explanations of the aforementioned collateral conditions and the reclassification to refundable deposits.

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- 2) The line item “Less: Statutory deposits” includes statutory deposits paid and their corresponding allowance for impairment loss. As of June 30, 2026, December 31, 2025, and June 30, 2025, the statutory deposits paid by the Group were 1,370,771 thousand, 1,370,561 thousand, and 1,369,796 thousand, respectively; the balances of the allowance for impairment loss on these statutory deposits paid were 124 thousand, 200 thousand, and 332 thousand, respectively; the total net amounts were 1,370,647 thousand, 1,370,361 thousand, and 1,369,464 thousand, respectively.
- 3) For the changes in the allowance for impairment loss on other financial assets (prior to the reclassification to refundable deposits) of the Group for the six months ended June 30, 2026 and 2025, please refer to Note 6(AF).

(7) Loans:

	June 30, 2026	December 31, 2025	June 30, 2025
Life insurance loans related to investment contracts	\$ 6,853,222	5,240,372	4,354,192
Secured loans	204,522,235	172,179,328	138,791,291
Unsecured loans	5,222,686	5,927,231	6,845,147
Overdue receivables	46,700	14,063	1,288
Less: Loss allowance	<u>(3,101,895)</u>	<u>(2,545,526)</u>	<u>(2,042,278)</u>
Total	<u>\$ 213,542,948</u>	<u>180,815,468</u>	<u>147,949,640</u>

The reconciliations in loss allowance of loans for the six months ended June 30, 2026 and 2025, please refer to Note 6(AF).

(8) Financial liabilities measured at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Investment contracts measured at amortized cost			
Life insurance	\$ 3,564,042	2,931,428	2,946,930
Annuity insurance	<u>139,790,723</u>	<u>153,271,831</u>	<u>160,760,831</u>
Total	<u>\$ 143,354,765</u>	<u>156,203,259</u>	<u>163,707,761</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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Movements of financial liabilities measured at amortized cost

	<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Beginning balance	\$ 156,203,259	168,842,728
Addition	30,981,663	19,839,977
Net change	715,597	47
Payment	(38,135,189)	(27,415,437)
Finance cost	2,356,492	3,355,155
Effect of changes in foreign exchange rates	(8,767,057)	(914,709)
Ending balance	<u>\$ 143,354,765</u>	<u>163,707,761</u>

Please refer to Note 6(AF) for further information of liquidity risk.

(9) Other financial liabilities:

	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Secured bank loans	<u>\$ 4,859,726</u>	<u>4,859,528</u>	<u>(1,875,705)</u>
Unsecured bank loans	<u>\$ -</u>	<u>-</u>	<u>(2,328,436)</u>
Unused loan facilities	<u>\$ 652,916</u>	<u>652,916</u>	<u>1,308,105</u>
Interest rate	<u>2.63%~3.04%</u>	<u>2.63%~3.04%</u>	<u>2.63%~3.04%</u>

- 1) Please refer to Note 6(AF) for further information of liquidity risk.
- 2) Details of assets pledged as collateral for bank loans, please refer to Note 8 “Assets Pledged as Security”.
- 3) Details for the Group's capitalized interest are 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>
capitalized interest \$	<u>17,234</u>	<u>9,957</u>	<u>34,311</u>	<u>19,415</u>
Interest rate	<u>3.04%</u>	<u>2.63%~3.04%</u>	<u>3.04%</u>	<u>2.63%~3.04%</u>

For the six months ended June 30, 2025, \$7,607 thousand was related to acquisitions through business combinations, with capitalization rates ranging from 2.73%~2.83%.

- 4) In May 2025, the sub-subsidiary, Li-Tong entered into a syndicated credit facility agreement with financial institutions, including SinoPac Commercial Bank, Ltd. and other fifteen financial institutions. The total credit facility comprises bank loan limits and commercial paper issuance guarantees amounting to \$3,250,000 thousand. The abovementioned credit facility is primarily intended to fund the construction of energy storage project sites. For details regarding the commercial paper issuance, please refer to Note 6 (P)(a).

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During the credit facility period, the subsidiary, Fubon Green Power, is required to, directly or indirectly, hold 100% of the shares of Li-Tong. Upon completion of the energy storage project site, Li-Tong is required to maintain a debt service coverage ratio (DSCR) of no less than 1.2 times, as stipulated in the credit agreement. Furthermore, the energy storage equipment must be pledged as collateral to the agent bank.

- (b) The carrying amounts of investments managed by the discretionary investment management companies are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Cash and cash equivalents	\$ 29,416,709	23,227,197	16,042,635
Stocks	55,418,875	32,997,024	26,014,862
Financial bonds	19,270,804	20,200,301	21,361,165
Corporate bonds	192,683,294	183,543,207	166,028,996
Total	<u><u>\$ 296,789,682</u></u>	<u><u>259,967,729</u></u>	<u><u>229,447,658</u></u>

The limits of discretionary investment management agreements are as follows:

(Unit: thousands dollar)

	June 30, 2026	December 31, 2025	June 30, 2025
NTD	<u><u>18,000,000</u></u>	<u><u>18,000,000</u></u>	<u><u>18,000,000</u></u>
USD	<u><u>3,500,000</u></u>	<u><u>3,500,000</u></u>	<u><u>3,500,000</u></u>

- (c) The Group details of the expected credit loss recognized or reversed of investments as follows:

	For the three months ended June 30, 2026	2025	For the six months ended June 30, 2026	2025
Receivable(excluding interest receivable from loans)	\$ (308,933)	46,170	(565,871)	(187,700)
Financial assets measured at fair value through other comprehensive income	(20,416)	114,443	(37,260)	95,093
Financial assets measured at amortized cost	(140,680)	406,189	(227,513)	360,535
Other financial asset, net	(142)	3,185	357	3,136
Loans (including their interest receivable and provisions for financing commitment)	(384,497)	(149,494)	(681,490)	(134,827)
Total	<u><u>\$ (854,668)</u></u>	<u><u>420,493</u></u>	<u><u>(1,511,777)</u></u>	<u><u>136,237</u></u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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(d) Transfers of financial assets

The transferred financial assets of the Group that are not qualified for de-recognition in the daily operation, are mainly equity securities under lending agreements. Since the right to receive cash flow is transferred and it reflects the associated liabilities to repurchase transferred financial assets at fixed price in future period, the Group cannot use, sell or pledge these transferred financial assets during the valid transaction period. The Group is still exposed to market risks, and therefore do not completely derecognize the transferred assets.

As of June 30, 2026, and December 31, 2025, no financial instruments transferred occurred in the Group. As of June 30, 2025, the information of financial assets that are not completely derecognized. The associated financial liabilities are shown in the table below:

Type of financial assets	June 30, 2025				
	Carrying amount of the transferred financial assets	Carrying amount of associated financial liabilities	Fair value of the transferred financial assets	Fair value of associated financial liabilities	Fair value met position
Financial assets measured at fair value through profit or loss	\$ 8,875	-	8,875	-	8,875
Securities lending agreements					

(e) Offsetting financial assets and financial liabilities

Although the Group engages in transactions that do not meet the offsetting condition in IFRSs, the Group has signed enforceable master netting agreements or similar agreements with counterparties. When both parties choose net settlement, the transactions will be allowed to settle in net amount after offsetting the financial assets and financial liabilities. Otherwise, the transactions will be settled in gross amount. However, if one party defaults, the other party could choose net settlement. Relevant information is shown as follows:

	June 30, 2026					
	Financial assets subject to enforceable master netting agreements and similar agreements					
				Related amounts not set off in the balance sheets (d)		
	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Financial instruments (Note)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative financial instruments and structured deposits	\$ 56,935,846	-	56,935,846	1,793,158	-	55,142,688
Reverse repurchase agreements	51,108,566	-	51,108,566	51,108,566	-	-
Total	<u>\$ 108,044,412</u>	<u>-</u>	<u>108,044,412</u>	<u>52,901,724</u>	<u>-</u>	<u>55,142,688</u>

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June 30, 2026						
Financial liabilities subject to enforceable master netting agreements and similar agreements						
			Related amounts not set off in the balance sheets (d)			
	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets set off in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Financial instruments (Note)	Cash collateral pledged	Net amount (e)=(c)-(d)
Derivative financial instruments	\$ 13,055,237	-	13,055,237	7,619,332	344,151	5,091,754

December 31, 2025						
Financial assets subject to enforceable master netting agreements and similar agreements						
			Related amounts not set off in the balance sheets (d)			
	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Financial instruments (Note)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative financial instruments and structured deposits	\$ 57,428,962	-	57,428,962	3,560,784	-	53,868,178
Reverse repurchase agreements	82,413,220	-	82,413,220	82,413,220	-	-
Total	\$ 139,842,182	-	139,842,182	85,974,004	-	53,868,178

December 31, 2025						
Financial liabilities subject to enforceable master netting agreements and similar agreements						
			Related amounts not set off in the balance sheets (d)			
	Gross amounts of recognized financial liabilities (a)	Gross amounts of recognized financial assets set off in the balance sheets (b)	Net amounts of financial liabilities presented in the balance sheets (c)=(a)-(b)	Financial instruments (Note)	Cash collateral pledged	Net amount (e)=(c)-(d)
Derivative financial instruments	\$ 17,666,851	-	17,666,851	5,961,963	842,234	10,862,654

June 30, 2025						
Financial assets subject to enforceable master netting agreements and similar agreements						
			Related amounts not set off in the balance sheets (d)			
	Gross amounts of recognized financial assets (a)	Gross amounts of recognized financial liabilities set off in the balance sheets (b)	Net amounts of financial assets presented in the balance sheets (c)=(a)-(b)	Financial instruments (Note)	Cash collateral received	Net amount (e)=(c)-(d)
Derivative financial instruments and structured deposits	\$ 97,775,949	-	97,775,949	6,205,638	4,391,877	87,178,434
Reverse repurchase agreements	67,214,502	-	67,214,502	67,214,502	-	-
Total	\$ 164,990,451	-	164,990,451	73,420,140	4,391,877	87,178,434

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June 30, 2025						
Financial liabilities subject to enforceable master netting agreements and similar agreements						
	Related amounts not set off in the balance sheets (d)					
	Gross amounts of recognized financial liabilities	Gross amounts of recognized financial assets set off in the balance sheets	Net amounts of financial liabilities presented in the balance sheets	Financial instruments	Cash collateral pledged	Net amount
	(a)	(b)	(c)=(a)-(b)	(Note)		(e)=(c)-(d)
Derivative financial instruments	\$ 16,834,424	-	16,834,424	6,953,219	64,176	9,817,029

Note: Inclusive of master-netting arrangement and non-cash financial collateral.

(C) Derivatives and hedge accounting

(a) Derivatives

(1) The details of the derivatives are as follows:

	June 30, 2026		December 31, 2025		June 30, 2025	
	Book Value	Nominal amount	Book Value	Nominal amount	Book Value	Nominal amount
Financial assets (liabilities)						
Forward exchange contracts	\$ (71,302)	52,761,260	(237,985)	26,787,940	(9,844,943)	1,233,583,616
Foreign exchange swaps	(10,372,746)	707,999,448	(15,603,865)	779,223,829	34,246,227	878,838,333
Cross currency swaps	(2,359,197)	24,651,808	(1,079,899)	19,611,275	(143,620)	20,522,712
Option contracts	-	-	-	-	362,548	571,271
Others	10,552	159,205	8,893	157,254	7,828	149,535
Total	\$ (12,792,693)	785,571,721	(16,912,856)	825,780,298	24,628,040	2,133,665,467

As of June 30, 2026, December 31 and June 30, 2025, the Group does not possess derivatives through discretionary investment management agreement.

- (2) The Group enters into forward exchange contracts, foreign exchange swaps, and cross currency swaps primarily to hedge against exchange risk from foreign-currency denominated investments and interest rate fluctuation risk from bond investments.
- (3) The unrealized gain or loss resulting from changes in fair value of financial derivatives is recognized in gains (losses) on financial assets or liabilities measured at fair value through profit or loss:

For the three months ended June 30,		For the six months ended June 30,	
2026	2025	2026	2025
\$ 1,768,746	47,224,433	3,815,953	66,020,847

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(b) Hedge accounting

(1) Fair value hedge

The Group is exposed to fair value fluctuation risk of foreign-currency denominated assets which arises from variations in the exchange rates. The Group assessed that the risk might be significant, and therefore entered into forward exchange contracts and foreign exchange swaps to hedge such risk.

(2) Cash flow hedge

The Group is exposed to cash flow risk of floating-rate assets and fixed-rate assets held arising from variations in the market interest rates and exchange rates. The Group assessed that the risk might be significant, and therefore entered into foreign exchange swaps and cross currency swaps to hedge such risk.

(3) Hedges of net investments in foreign operations

Net investments in foreign operations held by the Group apply different functional currencies compared to the Group. This creates exchange rate risks due to the movement of the exchange rates. The Group assessed that the risk might be significant, and therefore entered into forward exchange contracts to hedge such risk.

The amount, timing and uncertainty of future cash flows:

		Maturity				
		< 1 month	1~3 months	3 months ~ 1 year	1~5 years	>5 years
June 30, 2026						
Fair value hedge						
Foreign exchange swaps						
Nominal amount	\$	14,155,700	19,716,780	13,335,407	-	-
Average exchange rate (KRW/USD)		1,397.14	1,466.73	1,468.87	-	-
Nominal amount	\$	12,350,429	4,751,704	443,036	-	-
Average exchange rate (NTD/USD)		31.69	31.59	31.78	-	-
Cash flow hedge						
Foreign exchange swaps						
Nominal amount	\$	2,515,082	4,549,017	4,621,090	-	-
Average exchange rate (KRW/USD)		1,444.92	1,452.40	1,431.49	-	-
Cross currency swaps						
Nominal amount	\$	-	6,613,900	2,943,027	15,094,881	-
Average interest rate		-	(1.44)%	(1.50)%	(0.98)%	-
Average exchange rate (KRW/USD)		-	1,348.14	1,419.21	1,447.37	-

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	Maturity				
	< 1 month	1~3 months	3 months ~ 1 year	1~5 years	>5 years
December 31, 2025					
Fair value hedge					
Foreign exchange swaps					
Nominal amount	\$ 7,765,360	9,188,567	25,535,164	1,703,915	-
Average exchange rate (KRW/USD)	1,377.64	1,435.70	1,372.69	1,384.75	-
Nominal amount	\$ 2,605,618	4,369,194	1,248,798	-	-
Average exchange rate (NTD/USD)	30.31	30.26	30.86	-	-
Cash flow hedge					
Foreign exchange swaps					
Nominal amount	\$ 2,707,345	735,437	6,642,090	1,591,654	-
Average exchange rate (KRW/USD)	1,386.55	1,406.43	1,439.45	1,365.30	-
Cross currency swaps					
Nominal amount	\$ 2,377,124	1,251,118	7,882,044	8,100,989	-
Average interest rate	2.64 %	3.02 %	(0.46)%	(1.38)%	-
Average exchange rate (KRW/USD)	1,323.21	1,327.06	1,351.37	1,417.73	-

	Maturity				
	< 1 month	1~3 months	3 months ~ 1 year	1~5 years	>5 years
June 30, 2025					
Fair value hedge					
Forward exchange contracts					
Nominal amount	\$ 161,785	308,590	-	-	-
Average exchange rate (KRW/USD)	1,354.05	1,365.43	-	-	-
Foreign exchange swaps					
Nominal amount	\$ 6,407,396	21,086,104	18,408,899	3,598,620	-
Average exchange rate (KRW/USD)	1,382.89	1,346.36	1,321.16	1,225.58	-
Nominal amount	\$ -	2,037,291	599,203	-	-
Average exchange rate (NTD/USD)	-	29.05	28.42	-	-
Cash flow hedge					
Foreign exchange swaps					
Nominal amount	\$ 1,273,946	1,714,584	515,193	-	-
Average exchange rate (KRW/USD)	1,429.55	1,371.36	1,363.13	-	-
Cross currency swaps					
Nominal amount	\$ -	4,254,343	7,370,200	8,898,169	-
Average interest rate	-	(1.72)%	(1.65)%	(1.48)%	-
Average exchange rate (KRW/USD)	-	1,333.13	1,325.68	1,365.13	-

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The hedging instruments used in hedging strategies are as follows:

	Nominal amount of hedging instruments	Carrying amount of hedging instruments		The line item in balance sheet that includes the hedging instruments	The change in fair value of the hedging instrument used as the basis for recognizing hedge ineffectiveness for 2026 Q2
		Assets	Liabilities		
June 30, 2026					
Fair value hedge					
— Forward exchange contracts	\$ -	-	-	Not applicable	2,293
— Foreign exchange swaps	64,753,056	74,153	2,825,552	Financial assets/ liabilities for hedging	(3,647,802)
Cash flow hedge					
— Foreign exchange swaps	11,685,189	946	710,239	Financial liabilities for hedging	(930,447)
— Cross currency swaps	24,651,808	-	2,359,197	Financial liabilities for hedging	(1,963,196)
December 31, 2025					
Fair value hedge					
— Forward exchange contracts	\$ -	-	-	Not applicable	6,089
— Foreign exchange swaps	52,416,616	548,996	1,613,485	Financial assets/ liabilities for hedging	473,556
Cash flow hedge					
— Foreign exchange swaps	11,676,526	90,691	179,908	Financial assets/ liabilities for hedging	(173,504)
— Cross currency swaps	19,611,275	54,632	1,134,531	Financial assets/ liabilities for hedging	244,476

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		Nominal amount of hedging instruments	Carrying amount of hedging instruments		The line item in balance sheet that includes the hedging instrument	The change in fair value of the hedging instrument used as the basis for recognizing hedge ineffectiveness for 2025 Q2
			Assets	Liabilities		
June 30, 2025						
Fair value hedge						
— Forward exchange contracts	\$	470,375	2,636	94	Not applicable	6,925
— Foreign exchange swaps		52,137,513	513,386	1,061,972	Financial assets/ liabilities for hedging	3,664,072
Cash flow hedge						
— Foreign exchange swaps		3,503,723	108,647	7,801	Financial liabilities for hedging	222,362
— Cross currency swaps		20,522,712	164,361	307,981	Financial liabilities for hedging	1,833,181

The information of designated hedged items are as follows:

Fair value hedge:

	Carrying amount of hedged items		The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		The line item in balance sheet that includes the hedging instrument	The change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2026 Q2	Accumulated amount of fair value adjustments that are still recognized on balance sheet but discontinues adjusting gains and losses on hedged items	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness
	Assets	Liabilities	Assets	Liabilities					
June 30, 2026									
Hedged items									
Stocks	\$ 15,025,960	-	507,163	-	Financial assets measured at fair value through profit or loss	778,813	None	(141,195)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds	18,847,945	-	887,902	-	Financial assets measured at fair value through other comprehensive income	919,269	None	(83,234)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds and deposits	50,547,416	-	1,522,420	-	Financial assets measured at amortized cost	1,579,501	None	(143,497)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

					The line item in balance sheet that includes the hedging instrument	The change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2025	Accumulated amount of fair value adjustments that are still recognized on balance sheet but discontinues adjusting gains and losses on hedged items	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness	
	Carrying amount of hedged items		The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item							
	Assets	Liabilities	Assets	Liabilities						
December 31, 2025										
Hedged items										
Stocks	\$	6,811,786	-	(51,757)	-	Financial assets measured at fair value through profit or loss	(393,426)	None	(189,986)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds		18,810,197	-	(260,624)	-	Financial assets measured at fair value through other comprehensive income	(272,242)	None	(199,105)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds and deposits		50,084,495	-	(355,377)	-	Financial assets measured at amortized cost	(355,108)	None	(152,040)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

					The line item in balance sheet that includes the hedging instrument	The change in fair value of the hedged item used as the basis for recognizing hedge ineffectiveness for 2025 Q2	Accumulated amount of fair value adjustments that are still recognized on balance sheet but discontinues adjusting gains and losses on hedged items	Hedge ineffectiveness recognized in profit or loss	The line item in the statement of comprehensive income that includes the recognized hedge ineffectiveness	
	Carrying amount of hedged items		The accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item							
	Assets	Liabilities	Assets	Liabilities						
June 30, 2025										
Hedged items										
Stocks	\$	8,194,508	-	(412,728)	-	Financial assets measured at fair value through profit or loss	(861,221)	None	(256,509)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds		17,955,751	-	(1,512,584)	-	Financial assets measured at fair value through other comprehensive income	(1,554,084)	None	(521,686)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss
Bonds and deposits		48,082,828	-	(3,537,757)	-	Financial assets measured at amortized cost	(3,591,232)	None	(1,557,345)	Gains (losses) on financial assets or liabilities measured at fair value through profit or loss

Cash flow hedge

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

[illegible]

The reconciliation of each component of equity applying hedging accounting and an analysis of other comprehensive income are as follows:

	Cash flow hedge reserve		Foreign currency translation reserve from net investment in foreign operation	
	For the six months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Opening balance	\$ (177,810)	19,804	(19,503)	(19,503)
Total amount recognized in other comprehensive income:				
Cash flow hedge				
The change in value of hedging instruments that were recognized in other comprehensive income	(3,103,063)	2,160,527	-	-
The amount reclassified from cash flow hedge reserve to profit or loss	3,150,778	(2,147,697)	-	-
Ending balance	\$ (130,095)	32,634	(19,503)	(19,503)

Note: The sheet is prepared on basis of overall changes of the Group (includes non-controlling interests) during the reporting period.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(D) Asset classified as held for sale

In light of weakening demand in the real estate market and the resulting risk of rising vacancy rates, Fubon Hyundai Life Insurance, a subsidiary of the Company, resolved at its board meeting held on December 19, 2025, to dispose of certain real estate properties. Accordingly, these properties were classified as held for sale. The carrying amount of assets classified as held for sale was \$318,190 thousand as of December 31, 2025. The aforementioned real estate disposal transaction was completed upon the registration of the transfer of ownership on June 10, 2026.

(E) Investments accounted for using equity method, net

The investment under equity method of the Group on the balance sheet date is as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Associates	\$ 25,648,855	25,722,450	24,262,229
Joint ventures	<u>795,523</u>	<u>695,785</u>	<u>613,554</u>
	<u><u>\$ 26,444,378</u></u>	<u><u>26,418,235</u></u>	<u><u>24,875,783</u></u>

(a) Associates

Relevant information of associates of the Group is as follows:

Name of Associate	Book Value			Ownership interest and voting right percentage		
	June 30, 2026	December 31, 2025	June 30, 2025	June 30, 2026	December 31, 2025	June 30, 2025
CITIC Capital Holdings Limited	\$ 8,187,693	8,393,457	7,890,700	Percentage of ownership interests: 18.00%	Percentage of ownership interests: 18.00%	Percentage of ownership interests: 18.00%
				Percentage of voting rights: 21.37%	Percentage of voting rights: 21.37%	Percentage of voting rights: 21.37%
Hyundai Card Co., Ltd.	8,534,556	8,852,515	8,446,850	10.00 %	10.00 %	10.00 %
Fubon Financial Holdings Venture Capital Co., Ltd.	3,687,927	3,407,429	3,200,090	25.00 %	25.00 %	25.00 %
Star River Energy Co., Ltd.	49,435	190,150	179,455	20.00 %	20.00 %	20.00 %
Star Shining Energy Co., Ltd. (Note 1)	-	-	2,485,047	-	-	30.00 %
Star Shining Energy Holdings Corporation (Note 1)	2,348,544	2,565,243	-	30.00 %	30.00 %	-
Whole Max Green Power Co., Ltd.	644,678	654,867	489,411	30.00 %	30.00 %	30.00 %
Sinergy 1st Co., Ltd.	301,847	298,733	303,755	30.00 %	30.00 %	30.00 %
Aquastar Energy Corporation	1,077,454	1,078,740	923,075	30.00 %	30.00 %	30.00 %
Star Shining 2 Energy Corporation	611,429	281,316	-	33.00 %	33.00 %	-
ZA Life Limited (Note 2)	-	-	343,846	-	-	15.00 %
Leaders Asset Advisors Co., Ltd. (Note 3)	205,292	-	-	14.99 %	-	-
	<u><u>\$ 25,648,855</u></u>	<u><u>25,722,450</u></u>	<u><u>24,262,229</u></u>			

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(Note 1): On October 27, 2025, the Company obtained approval from the Insurance Bureau of the Financial Supervisory Commission to participate in the establishment of Star Shining Energy Holdings Corporation (hereinafter referred to as "Star Shining Energy Holdings") through the share exchange of Star Shining Energy Co., Ltd. (hereinafter referred to as "Star Shining Energy"). On December 1, 2025, 240 million shares of Star Shining Energy were exchanged for 24 million shares of Star Shining Energy Holdings, with the Company's equity interest remaining unchanged at 30%.

(Note 2): The subsidiary, Fubon Life Insurance (Hong Kong), approved the disposal of its entire equity of ZA Life Ltd. during the shareholders' meeting on May 6, 2025. The equity transfer has been completed on October 31, 2025.

(Note 3): The Board of Directors of the subsidiary, Fubon Hyundai Life Insurance, passed a resolution on May 26, 2026, to acquire the equity interest in Leaders Asset Advisors Co., Ltd. for KRW 10 billion.

Summarized financial information of the individually immaterial associates accounted for using equity method was as follows. The financial information was included in the consolidated financial statements of the Group.

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Attributable to the Group:				
Profit or loss after tax from continuing operations	\$ 939,291	360,944	407,648	(316,783)
Other comprehensive (loss) income	279,195	(26,092)	362,739	(170,042)
Comprehensive income (loss)	<u>\$ 1,218,486</u>	<u>334,852</u>	<u>770,387</u>	<u>(486,825)</u>

Group share of profit (loss) of associates and investments were recognized based on the financial report of the investee companies that have not been audited were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Share of profit (loss) of associates accounted for using equity method	<u>\$ (20,209)</u>	<u>(58,253)</u>	<u>120,584</u>	<u>61,830</u>

	June 30, 2026	December 31, 2025	June 30, 2025
Investments accounted for using equity method	<u>\$ 5,238,679</u>	<u>298,733</u>	<u>4,724,589</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) Joint venture interest:

The following summarized Fubon Property & Casualty Insurance Co., Ltd. financial adjustment information of the rights and the carrying amount within the financial report of the Group.

	June 30, 2026	December 31, 2025	June 30, 2025
Proportion of ownership interest	<u>40 %</u>	<u>40 %</u>	<u>40 %</u>
Assets	<u>\$ 6,699,843</u>	<u>5,891,452</u>	<u>5,136,218</u>
Liabilities	<u>\$ 4,711,038</u>	<u>4,151,989</u>	<u>3,602,332</u>
Net assets of the Group (carrying amount of joint venture)	<u>\$ 795,523</u>	<u>695,785</u>	<u>613,554</u>

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Operating revenue (Note)	<u>\$ 1,180,051</u>	<u>846,402</u>	<u>2,265,847</u>	<u>2,620,867</u>
Profit or loss after tax from continuing operations	\$ 94,688	18,835	163,703	735,871
Other comprehensive (loss) income	4,594	(163)	8,738	(286)
Comprehensive income (loss)	<u>\$ 99,282</u>	<u>18,672</u>	<u>172,441</u>	<u>735,585</u>

Note: It includes insurance revenue, net investment income (losses), asset management service revenue, and other operating revenue.

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Attributable to the Group:				
Profit or loss after tax from continuing operations	\$ 37,875	7,533	65,481	294,348
Other comprehensive (loss) income	1,838	(64)	3,496	(114)
Comprehensive income (loss)	<u>\$ 39,713</u>	<u>7,469</u>	<u>68,977</u>	<u>294,234</u>

(c) Guarantee

The Group does not pledge or guarantee any of its investments accounted for using equity method.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(F) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiaries	Main operation place	Percentage of non-controlling interests		
		June 30, 2026	December 31, 2025	June 30, 2025
Fubon Hyundai Life Insurance	Korea	<u>11.50 %</u>	<u>11.50 %</u>	<u>16.78 %</u>

The following information of Fubon Hyundai Life Insurance has been prepared in accordance with the “International financial reporting guidelines recognized by FSC”. The fair value adjustment made at the acquisition date and adjustments of relevant differences in accounting principles between the Group are included in this information. Intragroup transactions were not eliminated in this information.

	June 30, 2026	December 31, 2025	June 30, 2025
Total assets	\$ 369,698,168	406,025,401	400,673,452
Total liabilities	(327,910,136)	(371,194,068)	(385,213,368)
Equity that belongs to non-ordinary shares	(2,170,129)	(2,304,276)	(2,334,932)
Net assets	<u>\$ 39,617,903</u>	<u>32,527,057</u>	<u>13,125,152</u>
Non-controlling interests	<u>\$ 6,564,600</u>	<u>5,873,311</u>	<u>4,283,998</u>

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Operating revenue (Note)	<u>\$ 8,690,104</u>	<u>4,470,987</u>	<u>13,168,301</u>	<u>7,421,555</u>
Net profit	\$ 3,115,347	(217,860)	3,122,599	(1,983,106)
Other comprehensive (loss) income	3,539,916	2,400,356	3,834,101	1,334,977
Comprehensive (loss) income	<u>\$ 6,655,263</u>	<u>2,182,496</u>	<u>6,956,700</u>	<u>(648,129)</u>
Net profit, attributable to non-controlling interests	<u>\$ 358,265</u>	<u>(36,564)</u>	<u>359,099</u>	<u>(332,825)</u>
Comprehensive (loss) income, attributable to non-controlling interests	<u>\$ 734,252</u>	<u>332,712</u>	<u>691,289</u>	<u>(118,795)</u>

Note: It includes insurance revenue, net investment income (losses), asset management service revenue, and other operating revenue.

	For the six months ended June 30,	
	2026	2025
Net cash flows from (used in) operating activities	<u>\$ (5,886,095)</u>	<u>(5,619,927)</u>
Net cash flows from (used in) investing activities	<u>\$ 2,462,800</u>	<u>(352,109)</u>
Net cash flows from (used in) financing activities	<u>\$ (9,686,927)</u>	<u>(5,647,065)</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(G) Acquisition of subsidiary

(a) Acquisition of second-tier subsidiary- Sumray Power

(1) Consideration transferred

On March 21, 2025, the subsidiary, Fubon Green Power acquired the entire equity of Sumray Power, who mainly engages in energy storage related businesses, for a cash consideration of \$326,587 thousand.

(2) The following table summarizes the acquired amounts of identifiable assets and liabilities assumed at the acquisition date:

	Unit:NTD\$'000
Cash and cash equivalents	\$ 204,702
Accounts Receivable	38,489
Prepayments	140,216
Property, plant, and equipment	2,799,559
Right-of-use asset	30,643
Other assets	127,971
Short-term borrowing	(216,180)
Accounts payable	(64,209)
Lease liability	(33,813)
Current tax liability	(6,264)
Other financial liabilities	(2,076,580)
Other liabilities	(617,956)
Fair value of identifiable net assets acquired	<u><u>\$ 326,578</u></u>

(H) Investment property

	<u>Land</u>	<u>Buildings and other facilities</u>	<u>Construction in progress</u>	<u>Prepayments for building, land and equipment</u>	<u>Right-of-use asset</u>	<u>Total</u>
Balance of January 1, 2026	\$ 191,087,051	63,821,397	18,291,968	62,721	40,214,016	313,477,153
Addition	-	38,263	6,133,670	26,913	-	6,198,846
Subsequent expenditures	-	44,099	-	5,477	-	49,576
Remeasurement	-	-	-	-	394,246	394,246
Gains (losses) on fair value adjustments	(130,485)	(199,506)	-	-	(721,348)	(1,051,339)
Reclassification	67,253	80,993	78,871	(13,433)	-	213,684
Effect of changes in foreign exchange rates	(187,142)	(117,280)	(30,160)	-	(5,673)	(340,255)
Balance of June 30, 2026	<u><u>\$ 190,836,677</u></u>	<u><u>63,667,966</u></u>	<u><u>24,474,349</u></u>	<u><u>81,678</u></u>	<u><u>39,881,241</u></u>	<u><u>318,941,911</u></u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

				Prepayments for building, land and equipment	Right-of-use asset	Total
	Land	Buildings and other facilities	Construction in progress			
Balance of January 1, 2025	\$ 188,144,989	59,070,790	7,658,422	25,810	44,813,881	299,713,892
Addition	-	-	4,324,067	-	-	4,324,067
Subsequent expenditures	-	12,721	-	17,985	-	30,706
Remeasurement	-	-	-	-	46,299	46,299
Gains (losses) on fair value adjustments	1,564,820	(1,238,908)	-	-	(334,847)	(8,935)
Reclassification	(169,072)	(40,380)	75,780	(133)	-	(133,805)
Effect of changes in foreign exchange rates	145,275	(14,214)	2,304	-	(9,408)	123,957
Balance of June 30, 2025	<u>\$ 189,686,012</u>	<u>57,790,009</u>	<u>12,060,573</u>	<u>43,662</u>	<u>44,515,925</u>	<u>304,096,181</u>

For lease liabilities and interest expense due to possession of superficies by the Group, please refer to Note 6(R).

In accordance with “the Regulations”, the Group engaged appraisers from professional valuation firms listing below to evaluate the fair value of investment properties based on the Regulations on Real Estate Appraisal, and the appraisal dates are June 30, 2026, December 31 and June 30, 2025:

- (a) DTZ Cushman & Wakefield Real Estate Appraiser Office: Lee Ken Yuan, Tsai Chia Ho, Hu Chun Chun and Yang Chang Da
- (b) Savills Valuation and Professional Services: Tai Kuang Ping, Chang Hung Kai, Chang Yi Chih, Yeh Yu Fen, Yeh Shih Yu, Wu Cheng Yeh and Ting Wen Chen
- (c) REPro International Appraisals: Tsai You Shiang, Wu Hong Hsu, Hsu Hsiang I and Wang Ming Yang
- (d) Jin Han Real Estate Appraisers Joint Firm: Wu Yu Chun, Hung Chi Hsiang and Lai Sheng Feng
- (e) G-Beam Real Estate Appraisers Firm: Li Fang Cheng and Lai Jin Wei
- (f) Colliers International Valuation (Taiwan) Ltd.: Ke Fong Ru and Ku Chien Hui
- (g) Hong Bang Real Estate Appraisers Joint Firm: Li Qing Tang
- (h) CBRE (Taiwan) Valuation & Advisory Services: Chang Chih Chia and Shi Fu Xue
- (i) Bon-De Real Estate Appraisers Firm: Moa Ping Chi
- (j) Savills Valuation and Professional Services and Savills (U.K.) Limited: Chang Yi Chih, Matthew Salter, Oliver King, Hui Ting Wong, James Higham and Amanda Blythe Smith

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (k) REPro International Appraisals and Knight Frank LLP: Hsu Hsiang I, Tsai You Shiang, Louise Fuller, Simon Gillespie, John Rushby and William Rankine
- (l) Jones Lang LaSalle Taiwan and Jones Lang LaSalle srl/bv: Chang Chun Chieh, Hsu Kuo Chun, Greet Hex and Jeremy Greenfield
- (m) REPro International Appraisals and Knight Frank SA/NV: Hsu Hsiang I and Filip Derijck
- (n) Savills Valuation and Professional Services and Savills Immobilien Beratungs GmbH: Chang Yi Chih, Thomas Berger and Christian Glock
- (o) Jones Lang LaSalle Taiwan and Jones Lang LaSalle SE: Hsu Kuo Chun, Chang Chun Chieh, You Shu Fen, Carolin Wohlfarth, Melanie Löffler and Patrick Metzger
- (p) DTZ Cushman & Wakefield Real Estate Appraiser Office and W Appraisal Company: Yang Chang Da and Lee Ji Soo
- (q) Savills Valuation and Professional Services and Pacific Appraisal Co., Ltd: Chang Hung Kai, Min Kyung Oh, Soomin Park, Jongbeom Kang and Seungsu Na

The fair value of investment property is evaluated by the appraisers from market-based evidence and “the Regulations”. Appraisal methods include Sales Comparison Method, Income Approach (including Direct Capitalization Method and Discounted Cash Flow Analysis Method), Cost Approach and Cost Approach - Land Development Analysis, and so on.

Commercial office buildings are appraised by Sales Comparison Method and Income Approach mostly because of the market liquidity, comparable sale and rental cases in the neighboring areas. Shopping malls, hotels and department stores, given its characteristics, terms of lease contracts and reference of similar investment properties, are appraised mainly by Sales Comparison Method as well as Cost Approach, Direct Capitalization Method or Discounted Cash Flow (DCF) Analysis Method of Income Approach. Special properties such as complex properties of malls and hotels or hospitals are appraised mainly by Cost Approach, as well as Sales Comparison Method, Direct Capitalization Method and DCF Analysis Method of Income Approach.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Superficies are appraised by Sales Comparison Method, Price Ratio Method, Cost Approach - Land Development Analysis, and DCF Analysis Method. Factories and buildings planned for urban renewal are appraised by Sales Comparison Method, Cost Approach and Land Development Analysis Approach. Vacant land and superficies after completion of construction are appraised by the methods mentioned above regarding the nature of completed buildings.

Parameters primarily used are as below:

	June 30, 2026	December 31, 2025	June 30, 2025
	approx	approx	approx
Capitalization rate	1.01%~7.05%	0.61%~6.75%	0.31%~6.90%
Capitalization rate at the period end	1.14%~6.50%	1.19%~6.50%	1.70%~6.50%
Discount rate	2.97%~12.00%	2.97%~10.50%	2.97%~10.50%

External appraisers use the market extraction method, search several comparable properties similar to the subject property, and consider the liquidity risk and future disposal risk premium to decide the capitalization rate and discount rate. Decision of discount rate is according to “the Regulations” which is after amending when the Group acquired target on May 11, 2020.

Due to the Group can not evaluate the fair value of the land obtained after May 11, 2020, using a method that complies with “the Regulations”, the carrying amount is evaluated by cost. As of June 30, 2026, December 31 and June 30, 2025, the amounts are \$32,095,443 thousand.

The investment properties held by the Group are subsequently measured at fair value and are classified in the level 3 of the fair value hierarchy. The valuation techniques and significant inputs used by the professional appraisal firms are as follows:

- (a) The Direct Capitalization Method of Income Approach: When the direct capitalization rate increases, the fair value of investment properties will decrease, and vice versa.
- (b) The DCF Analysis Method of Income Approach: When the discount rate and year-end income capitalization rate increase, the fair value of investment properties will decrease, and vice versa.

Investment properties are primarily held for lease under operating leases, and the main terms of these leases are the same as general lease contracts. Please refer to Note 6(I).

As of June 30, 2026, December 31 and June 30, 2025, investment properties owned by the Group were not pledged.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(I) Operating lease

The Group leases out investment property as operating leases, please refer to Note 6(H).

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Rental income of investment property	<u>\$ 1,828,642</u>	<u>2,030,913</u>	<u>3,660,874</u>	<u>4,043,394</u>
Direct operating expenses arising from the investment property	<u>\$ 569,934</u>	<u>571,079</u>	<u>1,287,062</u>	<u>1,207,376</u>
Direct operating expenses arising from the investment property that did not generate rental income during the period	<u>\$ 302,489</u>	<u>72,560</u>	<u>612,488</u>	<u>162,374</u>

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	\$ 7,193,192	7,494,447	7,427,652
One to two years	5,952,074	6,621,150	6,627,083
Two to three years	4,894,401	5,180,188	5,405,983
Three to four years	4,863,278	4,353,696	4,348,885
Four to five years	4,401,700	3,842,840	3,622,989
More than five years	25,355,273	24,373,923	24,088,871
Total undiscounted lease payments	<u>\$ 52,659,918</u>	<u>51,866,244</u>	<u>51,521,463</u>

(J) Property and equipment — net

Assets	June 30, 2026			
	Cost	Accumulated Depreciation	Accumulated impairment loss	Carrying Amount
Land	\$ 15,343,484	-	1,013,284	14,330,200
Buildings	8,695,634	2,123,469	45,259	6,526,906
Computer equipment	3,431,970	2,468,039	-	963,931
Other equipment	4,943,978	1,657,084	-	3,286,894
Leasehold improvements	869,038	833,020	-	36,018
Construction in progress	4,454,057	-	-	4,454,057
Prepayments for equipment	340,335	-	-	340,335
Total	<u>\$ 38,078,496</u>	<u>7,081,612</u>	<u>1,058,543</u>	<u>29,938,341</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

December 31, 2025				
Assets	Cost	Accumulated Depreciation	Accumulated impairment loss	Carrying Amount
Land	\$ 15,426,446	-	1,013,284	14,413,162
Buildings	8,728,760	2,000,663	45,259	6,682,838
Computer equipment	3,463,931	2,360,009	-	1,103,922
Other equipment	4,988,288	1,544,785	-	3,443,503
Leasehold improvements	872,862	831,632	-	41,230
Construction in progress	4,140,432	-	-	4,140,432
Prepayments for equipment	188,397	-	-	188,397
Total	\$ <u>37,809,116</u>	<u>6,737,089</u>	<u>1,058,543</u>	<u>30,013,484</u>

June 30, 2025				
Assets	Cost	Accumulated Depreciation	Accumulated impairment loss	Carrying Amount
Land	\$ 15,436,907	-	1,013,284	14,423,623
Buildings	8,654,322	1,874,260	45,259	6,734,803
Computer equipment	3,210,033	2,217,343	-	992,690
Other equipment	2,666,082	1,420,565	-	1,245,517
Leasehold improvements	851,434	828,726	-	22,708
Construction in progress	5,136,120	-	-	5,136,120
Prepayments for equipment	303,037	-	-	303,037
Total	\$ <u>36,257,935</u>	<u>6,340,894</u>	<u>1,058,543</u>	<u>28,858,498</u>

The changes in property and equipment of the Group are as follows:

	Land	Buildings	Computer equipment	Other equipment	Leasehold improvements	Construction in progress	Prepayments for equipment	Total
Cost								
Balance of January 1, 2026	\$ 15,426,446	8,728,760	3,463,931	4,988,288	872,862	4,140,432	188,397	37,809,116
Purchase and acquisition	-	-	46,322	11,677	2,638	268,609	160,304	489,550
Estimated cost of derecognition	-	-	-	-	666	-	-	666
Disposal	-	-	(49,814)	(37,017)	(6,320)	-	-	(93,151)
Written down decommission cost	-	-	-	-	(663)	-	-	(663)
Reclassification	(81,062)	(28,892)	7,630	788	-	45,016	(8,418)	(64,938)
Effect of changes in foreign exchange rates	(1,900)	(4,234)	(36,099)	(19,758)	(145)	-	52	(62,084)
Balance of June 30, 2026	<u>15,343,484</u>	<u>8,695,634</u>	<u>3,431,970</u>	<u>4,943,978</u>	<u>869,038</u>	<u>4,454,057</u>	<u>340,335</u>	<u>38,078,496</u>
Accumulated depreciation								
Balance of January 1, 2026	\$ -	2,000,663	2,360,009	1,544,785	831,632	-	-	6,737,089
Depreciation	-	127,793	187,971	167,539	8,537	-	-	491,840
Disposal	-	-	(49,809)	(36,964)	(6,320)	-	-	(93,093)
Written down decommission cost	-	-	-	-	(663)	-	-	(663)
Reclassification	-	(3,459)	-	-	-	-	-	(3,459)
Effect of changes in foreign exchange rates	-	(1,528)	(30,132)	(18,276)	(166)	-	-	(50,102)
Balance of June 30, 2026	<u>-</u>	<u>2,123,469</u>	<u>2,468,039</u>	<u>1,657,084</u>	<u>833,020</u>	<u>-</u>	<u>-</u>	<u>7,081,612</u>
Accumulated impairment loss								
Balance of January 1, 2026	\$ <u>1,013,284</u>	<u>45,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,543</u>
Balance of June 30, 2026	\$ <u>1,013,284</u>	<u>45,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,543</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	<u>Land</u>	<u>Buildings</u>	<u>Computer equipment</u>	<u>Other equipment</u>	<u>Leasehold improvements</u>	<u>Construction in progress</u>	<u>Prepayments for equipment</u>	<u>Total</u>
Cost								
Balance of January 1, 2025	\$ 15,268,090	8,614,290	3,093,941	1,631,804	878,840	1,742,394	268,822	31,498,181
Acquisitions through business combinations	-	-	-	1,048,162	-	1,792,178	-	2,840,340
Purchase and acquisition	-	-	61,911	10,721	1,637	1,563,829	102,769	1,740,867
Disposal	-	-	(1,567)	(22,533)	(24,382)	-	-	(48,482)
Reclassification	169,072	40,513	66,360	1,048	-	37,719	(67,245)	247,467
Effect of changes in foreign exchange rates	(255)	(481)	(10,612)	(3,120)	(4,661)	-	(1,309)	(20,438)
Balance of June 30, 2025	<u>15,436,907</u>	<u>8,654,322</u>	<u>3,210,033</u>	<u>2,666,082</u>	<u>851,434</u>	<u>5,136,120</u>	<u>303,037</u>	<u>36,257,935</u>
Accumulated depreciation								
Balance of January 1, 2025	\$ -	1,748,136	2,048,302	1,343,787	849,543	-	-	5,989,768
Acquisitions through business combinations	-	-	-	40,781	-	-	-	40,781
Depreciation	-	126,291	178,016	57,239	7,109	-	-	368,655
Disposal	-	-	(1,562)	(22,503)	(24,271)	-	-	(48,336)
Reclassification	-	-	-	3,920	-	-	-	3,920
Effect of changes in foreign exchange rates	-	(167)	(7,413)	(2,659)	(3,655)	-	-	(13,894)
Balance of June 30, 2025	<u>-</u>	<u>1,874,260</u>	<u>2,217,343</u>	<u>1,420,565</u>	<u>828,726</u>	<u>-</u>	<u>-</u>	<u>6,340,894</u>
Accumulated impairment loss								
Balance of January 1, 2025	\$ <u>1,013,284</u>	<u>45,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,543</u>
Balance of June 30, 2025	\$ <u>1,013,284</u>	<u>45,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,058,543</u>
Net								
Balance of June 30, 2026	\$ <u>14,330,200</u>	<u>6,526,906</u>	<u>963,931</u>	<u>3,286,894</u>	<u>36,018</u>	<u>4,454,057</u>	<u>340,335</u>	<u>29,938,341</u>
Balance of December 31, 2025	\$ <u>14,413,162</u>	<u>6,682,838</u>	<u>1,103,922</u>	<u>3,443,503</u>	<u>41,230</u>	<u>4,140,432</u>	<u>188,397</u>	<u>30,013,484</u>
Balance of June 30, 2025	\$ <u>14,423,623</u>	<u>6,734,803</u>	<u>992,690</u>	<u>1,245,517</u>	<u>22,708</u>	<u>5,136,120</u>	<u>303,037</u>	<u>28,858,498</u>

Significant components of buildings include architecture constructions, engineering constructions, elevator equipment constructions, air conditioner constructions, fire-prevention constructions, mechanical parking equipment, and solar power equipment. These are depreciated based on major useful lives of 50, 15, 10, 8 and 5 years, respectively or the remaining useful lives.

(K) Right-of-use assets

	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Carrying amount			
Land	\$ 4,920,038	4,927,356	4,845,929
Buildings	844,847	932,136	1,130,649
Transportation equipment	7,177	8,227	7,571
Other equipment	16,106	20,655	20,926
	<u>\$ 5,788,168</u>	<u>5,888,374</u>	<u>6,005,075</u>

	<u>For the three months ended June 30, 2026</u>	<u>2025</u>	<u>For the six months ended June 30, 2026</u>	<u>2025</u>
Increase of right of use assets				
Increase	\$ 115,730	41,980	210,503	304,132
Acquisitions through business	-	-	-	36,200
Total	<u>\$ 115,730</u>	<u>41,980</u>	<u>210,503</u>	<u>340,332</u>
Depreciation expense				
Land	\$ 29,950	28,470	59,900	56,736
Buildings	143,913	144,042	287,044	289,410
Transportation equipment	1,378	1,462	2,703	2,976
Other equipment	2,111	1,741	4,154	3,446
Total	<u>\$ 177,352</u>	<u>175,715</u>	<u>353,801</u>	<u>352,568</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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(L) Intangible assets

	June 30, 2026	December 31, 2025	June 30, 2025
Goodwill	\$ 1,405,110	1,491,967	1,511,816
Development costs	228,076	310,079	386,618
Computer software	624,440	636,448	349,843
Business license	2,143,195	2,322,679	2,401,207
Others	42,363	45,000	45,446
	<u>\$ 4,443,184</u>	<u>4,806,173</u>	<u>4,694,930</u>

The changes of the intangible assets are as follows:

	Goodwill	Other intangible assets	Total
Cost:			
Balance of January 1, 2026	\$ 1,491,967	7,786,960	9,278,927
Purchase and acquisition	-	96,437	96,437
Disposal	-	(433)	(433)
Reclassification	-	11,563	11,563
Effect of changes in foreign exchange rates	(86,857)	(319,702)	(406,559)
Balance of June 30, 2026	<u>\$ 1,405,110</u>	<u>7,574,825</u>	<u>8,979,935</u>
Balance of January 1, 2025	\$ 1,520,783	7,525,309	9,046,092
Purchase and acquisition	-	24,326	24,326
Disposal	-	(29,567)	(29,567)
Reclassification	-	9,545	9,545
Effect of changes in foreign exchange rates	(8,967)	(49,000)	(57,967)
Balance of June 30, 2025	<u>\$ 1,511,816</u>	<u>7,480,613</u>	<u>8,992,429</u>
Accumulated amortization and impairment:			
Balance of January 1, 2026	\$ -	4,472,754	4,472,754
Amortization	-	229,807	229,807
Disposal	-	(433)	(433)
Effect of changes in foreign exchange rates	-	(165,377)	(165,377)
Balance of June 30, 2026	<u>\$ -</u>	<u>4,536,751</u>	<u>4,536,751</u>
Balance of January 1, 2025	\$ -	4,150,667	4,150,667
Amortization	-	208,013	208,013
Disposal	-	(29,567)	(29,567)
Effect of changes in foreign exchange rates	-	(31,614)	(31,614)
Balance of June 30, 2025	<u>\$ -</u>	<u>4,297,499</u>	<u>4,297,499</u>
Carrying amount:			
Balance of June 30, 2026	<u>\$ 1,405,110</u>	<u>3,038,074</u>	<u>4,443,184</u>
Balance of December 31, 2025	<u>\$ 1,491,967</u>	<u>3,314,206</u>	<u>4,806,173</u>
Balance of June 30, 2025	<u>\$ 1,511,816</u>	<u>3,183,114</u>	<u>4,694,930</u>

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The above stated goodwill of the Group was attributed to the acquisition of controlling power of subsidiary, Fubon Hyundai Life Insurance in September 2018.

Goodwill generated from a business combination should be tested for impairment on an annual basis. The Group regards Fubon Hyundai Life Insurance as a cash generating unit, uses appropriate discount rate to estimate recoverable amount of Fubon Hyundai Life Insurance, and calculates the carrying value of net assets to evaluate whether to recognize impairment.

(M) Other assets

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments	\$ 1,283,662	1,292,519	1,303,883
Service contract assets	4,151	-	-
Incremental costs of obtaining a contract	4,308,880	2,710,519	2,617,772
Refundable deposits	19,385,155	19,926,165	18,940,045
Other assets - others	3,027,481	3,261,845	3,265,614
Less: Accumulated impairment	<u>(79,723)</u>	<u>(60,117)</u>	<u>(60,117)</u>
Total	<u><u>\$ 27,929,606</u></u>	<u><u>27,130,931</u></u>	<u><u>26,067,197</u></u>

- (a) The Group defers the incremental costs incurred that are directly attributable to the sale of investment contracts without discretionary participation features and that relate to investment management services. The amortization of incremental costs of obtaining contracts amounted to \$113,365 thousand and \$51,693 thousand for the six months ended June 30, 2026 and 2025, respectively, and the impairment loss recognized for the six months ended June 30, 2026 and 2025 are \$7,409 and 0 thousand, respectively.
- (b) Articles 141 and 142 of the Insurance Act require insurance industry to place a government statutory deposit equal to 15% of its paid-in capital. Such deposits will not be returned until cessation of business and liquidation has been completed. In accordance with the regulations of the competent authority in Vietnam, insurance companies shall deposit 2% of legal capital in local banks in Vietnam as operating guarantee deposits. The Group used government bonds and saving deposits for the operating guarantee deposits, the details of which were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds (Book value)	<u>\$ 17,236,758</u>	<u>17,290,238</u>	<u>17,211,730</u>
Cash in bank	<u>\$ 18,165</u>	<u>17,955</u>	<u>17,190</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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- (c) The Group periodically assesses whether there is any indication that a portion of the carry amount for other assets is impaired every year. Fair value less cost to sale is measured to determine the recoverable amount, the amounts determined is based on expert's valuation report, and the recognition of impairment focuses on recoverable amounts that are lower than the carrying amount. The aforementioned fair value is based on significant unobservable inputs, and is therefore classified under level 3.

(N) Assets on insurance products - separate account

(1) Assets on insurance products - separate account

	June 30, 2026	December 31, 2025	June 30, 2025
Cash in bank	\$ 13,751,097	16,628,746	17,712,808
Financial assets measured at fair value through profit or loss	392,018,811	347,548,446	311,007,752
Financial assets measured at fair value through other comprehensive income	90,570,813	95,670,742	100,620,170
Financial assets for hedging, net	-	-	162,777
Loans	20,356,375	22,767,898	22,180,769
Interests receivable	1,047,682	1,065,425	1,041,650
Other accounts receivable	6,236,113	11,249,550	5,937,930
Financial liabilities for hedging, net	(2,369,212)	(984,737)	-
Total	<u><u>\$ 521,611,679</u></u>	<u><u>493,946,070</u></u>	<u><u>458,663,856</u></u>

The subsidiary, Fubon Hyundai Life Insurance, provides government bonds and corporate bonds as collateral of trades of financial assets and repurchase agreements which is classified as financial assets measured at fair value through other comprehensive income. As of June 30, 2026, December 31 and June 30, 2025, the carrying amount of the collateral were \$3,344,741 thousand, \$12,433,323 thousand and \$4,881,603 thousand, respectively. Details of notes and bonds sold under repurchase agreement, please refer to Note 6(P)2.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Net income (losses) on assets on insurance products in separate accounts

	<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>
Interest income	\$ 6,552,196	1,964,741	12,878,408	4,217,286
Gains or losses on financial assets and liabilities measured at fair value through profit or loss	40,718,133	3,632,250	35,579,909	1,183,478
Gains or losses arising from derecognition of financial assets measured at AC	646	1,316	979	589
Realized gains or losses on financial assets measured at FVOCI	-	(32,078)	-	(58,463)
Reversal of impairment losses on investments	(10,199)	1,974	11,149	94,254
Foreign exchange gains (losses)	978,935	(6,263,892)	5,295,305	(5,895,733)
Other income	3,047	2,513	6,519	4,588
Total	<u>\$ 48,242,758</u>	<u>(693,176)</u>	<u>53,772,269</u>	<u>(454,001)</u>

(3) Reconciliation of the assets on insurance products - separate account (Financial assets measured at fair value through profit or loss)

	<u>For the six months ended June 30, 2026</u>		
	<u>Insurance contracts</u>	<u>Investment contracts</u>	<u>Total</u>
Beginning balance	\$ 146,283,369	201,265,077	347,548,446
Increase of FVTPL in assets on insurance products	12,267,784	62,888,512	75,156,296
Sales of FVTPL in assets on insurance products	(18,966,518)	(50,204,115)	(69,170,633)
Expenses	(1,634,648)	(123,113)	(1,757,761)
Recognized in profit or loss	32,155,753	8,731,021	40,886,774
Effect of changes in foreign exchange rates	(23,566)	(620,745)	(644,311)
Ending balance	<u>\$ 170,082,174</u>	<u>221,936,637</u>	<u>392,018,811</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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	For the six months ended June 30, 2025		
	Insurance contracts	Investment contracts	Total
Beginning balance	\$ 133,882,487	188,020,396	321,902,883
Increase of FVTPL in assets on insurance products	7,981,421	42,707,033	50,688,454
Sales of FVTPL in assets on insurance products	(8,830,926)	(32,550,038)	(41,380,964)
Expenses	(1,575,718)	(138,718)	(1,714,436)
Recognized in profit or loss	(3,177,027)	(15,234,503)	(18,411,530)
Effect of changes in foreign exchange rates	(1,956)	(74,699)	(76,655)
Ending balance	<u><u>\$ 128,278,281</u></u>	<u><u>182,729,471</u></u>	<u><u>311,007,752</u></u>

(O) Accounts payable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes payable	\$ 30,482	-	28
Expense payable	11,314,467	12,125,648	8,520,772
Commissions payable	4,703,395	6,838,101	4,713,166
Dividend payable	-	-	15,000,079
Insurance product - separate accounts payable	6,386,722	11,431,051	6,212,193
Investment payable	23,197,786	49,295,023	28,507,030
Other payable	10,322,076	4,582,232	6,318,772
Total	<u><u>\$ 55,954,928</u></u>	<u><u>84,272,055</u></u>	<u><u>69,272,040</u></u>

(P) Short-term liabilities

Short-term liabilities of the Group on the balance sheet date are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Commercial paper issued, net	\$ 252,377	252,411	208,502
Notes and bonds sold under repurchase agreement	-	8,719,200	3,423,640
	<u><u>\$ 252,377</u></u>	<u><u>8,971,611</u></u>	<u><u>3,632,142</u></u>

(a) Commercial paper issued

	June 30, 2026	December 31, 2025	June 30, 2025
Par value	\$ 253,000	253,000	209,000
Less: Discount on commercial paper issued	623	589	498
Total	<u><u>\$ 252,377</u></u>	<u><u>252,411</u></u>	<u><u>208,502</u></u>
Interest rate	<u><u>2.08%~2.14%</u></u>	<u><u>2.07%~2.08%</u></u>	<u><u>2.07%</u></u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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(1) Please refer to Note 6(AF) for further information of liquidity risk.

(2) For the six months ended June 30, 2026 and 2025, the Group capitalized interest on borrowings amounting to \$2,612 thousand and \$92 thousand, with a capitalization rate of 2.02%~2.14% and 2.07%.

(b) Notes and bonds sold under repurchase agreement

	June 30, 2026	December 31, 2025	June 30, 2025
Notes and bonds sold under repurchase agreement	<u>\$ -</u>	<u>8,719,200</u>	<u>3,423,640</u>
Interest rate	<u>-</u>	<u>2.65%</u>	<u>2.60%~2.62%</u>

(1) Please refer to Note 6(AF) for further information of liquidity risk.

(2) All of the above-mentioned notes and bonds sold under repurchase agreement were for liquidity purposes of the subsidiary, Fubon Hyundai Life Insurance.

(Q) Bonds payable

The information of bonds issued by the Group were as follows:

Name	Outstanding period		Rate %	Face Amount	(Discount) Premium	June 30, 2026	December 31, 2025	June 30, 2025	Note
	Date of Issuance	Maturity							
The first issue of 2016 perpetual cumulative subordinated corporate bond	2016.12.07	No maturity date	3.25 % (Note 1)	\$ 28,500,000	-	28,500,000	28,500,000	28,500,000	Note2
The first issue of 2017 perpetual cumulative subordinated corporate bond	2017.04.21	No maturity date	3.30 % (Note 1)	6,500,000	-	6,500,000	6,500,000	6,500,000	Note2
The first issue of 2018 perpetual non-cumulative subordinated corporate bond (private placement)	2018.03.27	No maturity date	3.60 % (Note 3)	20,000,000	-	20,000,000	20,000,000	20,000,000	Note4
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2023	2023.09.05	2033.09.05	3.70 %	13,570,000	-	13,570,000	13,570,000	13,570,000	
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2023	2023.09.05	2038.09.05	3.85 %	8,930,000	-	8,930,000	8,930,000	8,930,000	Note5
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2023	2023.11.07	2033.11.07	3.70 %	500,000	-	500,000	500,000	500,000	

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Name	Outstanding period		Rate %	Face Amount	(Discount) Premium	June 30, 2026	December 31, 2025	June 30, 2025	Note
	Date of Issuance	Maturity							
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2023	2023.11.07	2038.11.07	3.85 %	\$ 2,000,000	-	2,000,000	2,000,000	2,000,000	Note5
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2024	2024.06.12	2034.06.12	3.70 %	14,880,000	-	14,880,000	14,880,000	14,880,000	
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2024	2024.06.12	2039.06.12	3.85 %	10,120,000	-	10,120,000	10,120,000	10,120,000	Note5
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2024	2024.10.23	2034.10.23	3.70 %	22,730,000	-	22,730,000	22,730,000	22,730,000	
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2024	2024.10.23	2039.10.23	3.85 %	8,270,000	-	8,270,000	8,270,000	8,270,000	Note5
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2025	2025.04.22	2035.04.22	3.70 %	9,140,000	-	9,140,000	9,140,000	9,140,000	
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2025	2025.04.22	2040.04.22	3.85 %	9,860,000	-	9,860,000	9,860,000	9,860,000	Note5
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2025	2025.08.27	2035.08.27	3.70 %	10,700,000	-	10,700,000	10,700,000	-	
Fubon Life Insurance Co., Ltd. 2nd issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2025	2025.08.27	2040.08.27	3.85 %	9,300,000	-	9,300,000	9,300,000	-	Note5
Fubon Life Insurance Co., Ltd. 3rd issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2025	2025.12.16	2035.12.16	3.70 %	12,070,000	-	12,070,000	12,070,000	-	

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Name	Outstanding period		Rate %	Face Amount	(Discount) Premium	June 30, 2026	December 31, 2025	June 30, 2025	Note
	Date of Issuance	Maturity							
Fubon Life Insurance Co., Ltd. 3rd issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2025	2025.12.16	2040.12.16	3.85 %	\$ 7,930,000	-	7,930,000	7,930,000	-	Note5
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds A in 2026	2026.05.06	2036.05.06	3.70 %	11,600,000	-	11,600,000	-	-	
Fubon Life Insurance Co., Ltd. 1st issue of Unsecured Cumulative Subordinated Corporate Bonds B in 2026	2026.05.06	2041.05.06	3.85 %	8,400,000	-	8,400,000	-	-	Note5
FubonHyundai Insurance 16	2020.09.21	2030.09.21	4.49 % (Note 6)	1,089,900	-	-	-	1,101,679	
FubonHyundai Insurance 17 (private placement)	2021.04.29	2031.04.29	4.60 % (Note 6)	1,187,991	-	-	1,186,162	1,201,791	
FubonHyundai Insurance 18	2021.09.14	2031.09.14	4.10 % (Note 6)	1,950,255	(4,195)	1,946,060	2,065,979	2,093,086	
FubonHyundai Insurance 19 (private placement)	2022.04.08	2032.04.08	5.10 % (Note 6)	1,026,450	(2,543)	1,023,907	1,087,001	1,101,266	
FubonHyundai Insurance 20	2022.06.28	2032.06.28	6.20 % (Note 6)	3,079,350	(7,503)	3,071,847	3,261,196	3,304,049	
FubonHyundai Insurance 23	2023.04.26	2033.04.26	7.30 % (Note 6)	1,642,320	(5,257)	1,637,063	1,737,950	1,760,768	
FubonHyundai Insurance 24	2023.06.16	2033.06.16	7.28 % (Note 6)	2,011,842	(5,851)	2,005,991	2,129,656	2,157,659	
FubonHyundai Insurance 25 (private placement)	2023.09.25	2033.09.25	7.40 % (Note 6)	615,870	(1,459)	614,411	652,312	660,912	
FubonHyundai Insurance 26	2024.03.15	2034.03.15	6.90 % (Note 6)	1,026,450	(3,567)	1,022,883	1,085,930	1,100,197	
FubonHyundai Insurance 27	2024.05.31	2034.05.31	7.00 % (Note 6)	2,463,480	(8,452)	2,455,028	2,606,371	2,640,640	
Fubon Life Ins5.45% 10.12.2035	2025.09.10	2035.12.10	5.45 %	20,696,701	(111,277)	20,585,424	20,315,374	-	Note 7
Total					\$ (150,104)	249,362,614	231,127,931	172,122,047	

Note1: Fixed rate from the date of issuance, plus 1% if the group does not redeem the bond in 10 years from the date of issuance.

Note2: After 10 years of issuance, if the Group's risk-based capital ratio after redemption, upon calculation, is more than one time of the required minimum risk-based capital ratio at the time of calculation, with the consent of the Competent Authority, the bonds may be redeemed earlier at face value plus accrued interest.

Note3: After 10 years of issuance, if the bond is not redeemed, the coupon rate will be readjusted to 10 year benchmark yield rate plus the spread at the time of issuance.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note4: After 10 years of issuance, if the Group's risk-based capital ratio after redemption, upon calculation, is more than one time of the required minimum risk-based capital ratio at the time of calculation, with the consent of the Competent Authority, the bonds may be redeemed at face value plus accrued interest once a year.

Note5: After 10 years of issuance, if the Group's risk-based capital ratio after redemption, upon calculation, is more than the required minimum risk-based capital ratio at the time of calculation, with the consent of the Competent Authority, the bonds may be redeemed earlier at face value plus accrued interest.

Note6: After 5 years of issuance, if the bond is not redeemed, the coupon rate will be readjusted to 10 year KTB rate plus the spread at the time of issuance.

Note7: The period between the 10th and 10.25th year (excluding the 10.25th year) after the bonds issuance, if the Company's capital adequacy ratio after redemption, upon calculation, is more than the required minimum capital adequacy ratio at the time of calculation, with the consent of guarantor's (the Company's) Competent Authority, the bonds may be redeemed earlier by the subsidiary Fubon Life Singapore Pte. Ltd. at par value plus accrued interest payable.

	<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>
Interest Expense	<u>\$ 2,403,430</u>	<u>1,626,306</u>	<u>4,687,146</u>	<u>3,109,700</u>

(R) Lease liabilities

The Group's undiscounted lease payments maturity analysis:

	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Less than one year	\$ 1,037,949	1,076,416	1,086,245
One to three years	5,385,903	3,409,425	3,555,655
Three to five years	1,135,163	3,073,250	3,105,331
More than five years	20,825,095	20,575,264	20,598,320
	<u>\$ 28,384,110</u>	<u>28,134,355</u>	<u>28,345,551</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The amounts recognized in profit or loss 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>
Interest on lease liabilities	\$ <u>100,784</u>	<u>101,029</u>	<u>198,954</u>	<u>201,128</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>2,688</u>	<u>3,224</u>	<u>2,467</u>	<u>6,475</u>
Expenses relating to short-term leases	\$ <u>2,416</u>	<u>2,784</u>	<u>4,483</u>	<u>5,589</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ <u>4,592</u>	<u>4,445</u>	<u>7,922</u>	<u>7,936</u>

The amounts recognized in the statement of cash flows for the Group 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>
Total cash outflow for leases	\$ <u>189,413</u>	<u>213,202</u>	<u>808,086</u>	<u>828,163</u>

The amounts recognized in the costs of the building and equipment 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>
Capitalization of interest	\$ <u>42,384</u>	<u>40,826</u>	<u>83,813</u>	<u>80,630</u>

(a) Office leases

The Group leases buildings as offices with lease terms of one to six years.

(b) Superficies leases

The Group leases land for superficies with lease terms of fifty to one hundred and thirty three years for the purpose of commercial buildings, malls, hotels etc.

(c) Land leases

The Group leases land for the operation of energy storage system facilities with lease terms of three to twenty years.

(d) Other leases

The Group leases transportation, substation and other equipment with lease terms of one to seven years. If these leases are short-term or leases of low-value items, the Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(S) Insurance contracts

(a) Reconciliation of Insurance Contract Assets and Liabilities

Items	Liabilities for remaining coverage			Liabilities for incurred claims under GMM and VFA	Liabilities for incurred claims under PAA			
	Excluding loss component	Loss component	Total		Present value of future cash flow	Risk adjustment for non-financial risk	Subtotal	Total
Insurance contract liabilities as at January 1, 2026	\$ 4,701,274,122	10,457,317	4,711,731,439	23,827,751	1,128,605	29,224	1,157,829	4,736,717,019
Insurance revenue								
Contracts measured under the modified retrospective approach	(4,969,924)	-	(4,969,924)	-	-	-	-	(4,969,924)
Contracts measured under the fair value approach	(36,318,158)	-	(36,318,158)	-	-	-	-	(36,318,158)
Other contracts	(13,501,201)	-	(13,501,201)	-	-	-	-	(13,501,201)
Total insurance revenue	<u>(54,789,283)</u>	<u>-</u>	<u>(54,789,283)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,789,283)</u>
Insurance service expenses								
Incurred claims (excluding investment components) and other directly attributable expenses	-	(227,739)	(227,739)	25,298,000	1,942,449	10,127	1,952,576	27,022,837
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	4,506,713	549,336	(8,288)	541,048	5,047,761
Changes that relate to future service - losses on onerous contracts and reversals of those losses	-	269,602	269,602	-	-	-	-	269,602
Insurance acquisition cash flows amortization	2,167,154	-	2,167,154	-	-	-	-	2,167,154
Total insurance service expenses	<u>2,167,154</u>	<u>41,863</u>	<u>2,209,017</u>	<u>29,804,713</u>	<u>2,491,785</u>	<u>1,839</u>	<u>2,493,624</u>	<u>34,507,354</u>
Finance income (expenses) from insurance contracts								
Finance expenses from insurance contracts issued-Interest rate	53,993,106	125,078	54,118,184	186,200	6,698	-	6,698	54,311,082
Finance expenses from insurance contracts issued-foreign exchange gain/loss and others	72,889,690	-	72,889,690	-	-	-	-	72,889,690
Other comprehensive income	(130,368,890)	-	(130,368,890)	(38,118)	(3,420)	-	(3,420)	(130,410,428)
Total finance income (expenses) from insurance contracts	<u>(3,486,094)</u>	<u>125,078</u>	<u>(3,361,016)</u>	<u>148,082</u>	<u>3,278</u>	<u>-</u>	<u>3,278</u>	<u>(3,209,656)</u>
Foreign exchange gain/loss	10,703,640	(8,401)	10,695,239	3,165	-	-	-	10,698,404
Exchange differences resulting from translating the financial statements of a foreign operation	<u>(9,529,553)</u>	<u>(205,853)</u>	<u>(9,735,406)</u>	<u>(176,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,911,720)</u>
Total amounts recognized in comprehensive income	<u>(54,934,136)</u>	<u>(47,313)</u>	<u>(54,981,449)</u>	<u>29,779,646</u>	<u>2,495,063</u>	<u>1,839</u>	<u>2,496,902</u>	<u>(22,704,901)</u>
Investment components	(202,259,513)	-	(202,259,513)	202,259,513	-	-	-	-
Policy loans and automatic premium loans	(935,729)	-	(935,729)	935,729	-	-	-	-
Cash flows								
Premiums received	217,676,523	-	217,676,523	-	-	-	-	217,676,523
Other directly attributable expenses and LIC paid	-	-	-	(232,941,872)	(2,413,048)	-	(2,413,048)	(235,354,920)
Insurance acquisition cash flows	(17,761,966)	-	(17,761,966)	-	-	-	-	(17,761,966)
Total cash flows	<u>199,914,557</u>	<u>-</u>	<u>199,914,557</u>	<u>(232,941,872)</u>	<u>(2,413,048)</u>	<u>-</u>	<u>(2,413,048)</u>	<u>(35,440,363)</u>
Insurance contract liabilities as at June 30, 2026	<u>\$ 4,643,059,301</u>	<u>10,410,004</u>	<u>4,653,469,305</u>	<u>23,860,767</u>	<u>1,210,620</u>	<u>31,063</u>	<u>1,241,683</u>	<u>4,678,571,755</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	Liabilities for remaining coverage			Liabilities for incurred claims under GMM and VFA	Liabilities for incurred claims under PAA			
	Excluding loss component	Loss component	Total		Present value of future cash flow	Risk adjustment for non-financial risk	Subtotal	Total
Insurance contract liabilities as at January 1, 2025	\$ 4,603,071,558	8,297,054	4,611,368,612	21,875,414	1,034,218	27,153	1,061,371	4,634,305,397
Insurance revenue								
Contracts measured under the modified retrospective approach	(4,983,551)	-	(4,983,551)	-	-	-	-	(4,983,551)
Contracts measured under the fair value approach	(35,213,037)	-	(35,213,037)	-	-	-	-	(35,213,037)
Other contracts	(10,092,745)	-	(10,092,745)	-	-	-	-	(10,092,745)
Total insurance revenue	<u>(50,289,333)</u>	<u>-</u>	<u>(50,289,333)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,289,333)</u>
Insurance service expenses								
Incurred claims (excluding investment components) and other directly attributable expenses	-	(146,136)	(146,136)	24,939,100	1,976,866	9,541	1,986,407	26,779,371
Changes that relate to past service - changes in the FCF relating to the LIC	-	-	-	4,643,208	422,635	(8,476)	414,159	5,057,367
Changes that relate to future service - losses on onerous contracts and reversals of those losses	-	849,810	849,810	-	-	-	-	849,810
Insurance acquisition cash flows amortization	1,719,475	-	1,719,475	-	-	-	-	1,719,475
Total insurance service expenses	<u>1,719,475</u>	<u>703,674</u>	<u>2,423,149</u>	<u>29,582,308</u>	<u>2,399,501</u>	<u>1,065</u>	<u>2,400,566</u>	<u>34,406,023</u>
Finance income (expenses) from insurance contracts								
Finance expenses from insurance contracts issued- Interest rate	51,546,876	99,576	51,646,452	172,283	6,107	-	6,107	51,824,842
Finance expenses from insurance contracts issued- foreign exchange gain/loss and others	(1,205,904)	(8)	(1,205,912)	-	-	-	-	(1,205,912)
Other comprehensive income	51,991,261	-	51,991,261	21,154	1,423	-	1,423	52,013,838
Total finance income (expenses) from insurance contracts	<u>102,332,233</u>	<u>99,568</u>	<u>102,431,801</u>	<u>193,437</u>	<u>7,530</u>	<u>-</u>	<u>7,530</u>	<u>102,632,768</u>
Foreign exchange gain/loss	(61,888,359)	37,079	(61,851,280)	774,652	-	-	-	(61,076,628)
Exchange differences resulting from translating the financial statements of a foreign operation	<u>(7,472,270)</u>	<u>(547,269)</u>	<u>(8,019,539)</u>	<u>(20,943)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,040,482)</u>
Total amounts recognized in comprehensive income	<u>(15,598,254)</u>	<u>293,052</u>	<u>(15,305,202)</u>	<u>30,529,454</u>	<u>2,407,031</u>	<u>1,065</u>	<u>2,408,096</u>	<u>17,632,348</u>
Investment components	(169,278,775)	-	(169,278,775)	169,278,775	-	-	-	-
Policy loans and automatic premium loans	132,484	-	132,484	(132,484)	-	-	-	-
Cash flows								
Premiums received	192,988,261	-	192,988,261	-	-	-	-	192,988,261
Other directly attributable expenses and LIC paid	-	-	-	(199,375,959)	(2,363,490)	-	(2,363,490)	(201,739,449)
Insurance acquisition cash flows	(17,547,200)	-	(17,547,200)	-	-	-	-	(17,547,200)
Total cash flows	<u>175,441,061</u>	<u>-</u>	<u>175,441,061</u>	<u>(199,375,959)</u>	<u>(2,363,490)</u>	<u>-</u>	<u>(2,363,490)</u>	<u>(26,298,388)</u>
Insurance contract liabilities as at June 30, 2025	<u>\$ 4,593,768,074</u>	<u>8,590,106</u>	<u>4,602,358,180</u>	<u>22,175,200</u>	<u>1,077,759</u>	<u>28,218</u>	<u>1,105,977</u>	<u>4,625,639,357</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) Reconciliation of the Components of Insurance Contract Assets and Liabilities (excluding PAA)

Items	Present value of future cash flow	Risk adjustment for non-financial risk	Contractual service margin (CSM)				Subtotal	Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts			
Insurance contract liabilities as at January 1, 2026	\$ 4,261,265,195	57,920,726	85,988,462	201,556,046	127,878,550		415,423,058	4,734,608,979
Changes that relate to future service								
Changes in estimates that adjust the CSM	626,232	(1,270,750)	1,403,527	(2,639,032)	1,880,023		644,518	-
Changes in estimates that result in onerous contract losses or reversals of those losses	323,354	(70,739)	-	-	-		-	252,615
Contracts initially recognized in the period	(38,204,674)	1,336,650	-	-	36,885,011		36,885,011	16,987
Total changes that relate to future service	(37,255,088)	(4,839)	1,403,527	(2,639,032)	38,765,034		37,529,529	269,602
Changes that relate to current service								
CSM recognized for the services provided	-	-	(2,856,380)	(7,562,628)	(5,103,985)		(15,522,993)	(15,522,993)
Change in the risk adjustment for non-financial risk for the risk expired	-	(1,566,820)	-	-	-		-	(1,566,820)
Experience adjustments - claim	(6,748,286)	-	-	-	-		-	(6,748,286)
Experience adjustments - expenses	(939,584)	-	-	-	-		-	(939,584)
Total changes that relate to current service	(7,687,870)	(1,566,820)	(2,856,380)	(7,562,628)	(5,103,985)		(15,522,993)	(24,777,683)
Changes that relate to past service								
Changes that relate to past service - changes in the FCF relating to the LIC	4,638,047	(131,334)	-	-	-		-	4,506,713
Total changes that relate to past service	4,638,047	(131,334)	-	-	-		-	4,506,713
Finance income (expenses) from insurance contracts issued								
Interest rate	50,789,171	-	685,092	2,000,702	829,419		3,515,213	54,304,384
Foreign exchange gain/loss and others	72,889,690	-	-	-	-		-	72,889,690
Other comprehensive income	(130,407,008)	-	-	-	-		-	(130,407,008)
Total finance income (expenses) from insurance contracts issued	(6,728,147)	-	685,092	2,000,702	829,419		3,515,213	(3,212,934)
Foreign exchange gain/loss	9,360,285	101,064	246,119	284,286	706,650		1,237,055	10,698,404
Exchange differences resulting from translating the financial statements of a foreign operation	(9,562,660)	(131,007)	-	(23,120)	(194,933)		(218,053)	(9,911,720)
Total amounts recognized in comprehensive income	(47,235,433)	(1,732,936)	(521,642)	(7,939,792)	35,002,185		26,540,751	(22,427,618)
Cash flows								
Premiums received	214,423,162	-	-	-	-		-	214,423,162
Claims paid and other directly attributable expenses and LIC paid	(232,941,872)	-	-	-	-		-	(232,941,872)
Insurance acquisition cash flows	(17,761,966)	-	-	-	-		-	(17,761,966)
Total cash flows	(36,280,676)	-	-	-	-		-	(36,280,676)
Insurance contract liabilities as at June 30, 2026	\$ 4,177,749,086	56,187,790	85,466,820	193,616,254	162,880,735		441,963,809	4,675,900,685

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Items	Present value of future cash flow	Risk adjustment for non-financial risk	Contractual service margin (CSM)				Subtotal	Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts			
Insurance contract liabilities as at January 1, 2025	\$ 4,196,944,052	71,849,511	88,023,634	208,233,060	67,352,012		363,608,706	4,632,402,269
Changes that relate to future service								
Changes in estimates that adjust the CSM	12,912,903	1,408,417	(1,365,926)	(9,407,467)	(3,547,927)		(14,321,320)	-
Changes in estimates that result in onerous contract losses or reversals of those losses	800,106	(24,446)	-	-	-		-	775,660
Contracts initially recognized in the period	(34,568,308)	1,778,419	-	-	32,864,039		32,864,039	74,150
Total changes that relate to future service	<u>(20,855,299)</u>	<u>3,162,390</u>	<u>(1,365,926)</u>	<u>(9,407,467)</u>	<u>29,316,112</u>		<u>18,542,719</u>	<u>849,810</u>
Changes that relate to current service								
CSM recognized for the services provided	-	-	(2,662,805)	(6,891,814)	(2,605,457)		(12,160,076)	(12,160,076)
Change in the risk adjustment for non-financial risk for the risk expired	-	(1,923,722)	-	-	-		-	(1,923,722)
Experience adjustments - claim	(5,230,980)	-	-	-	-		-	(5,230,980)
Experience adjustments - expenses	(1,850,753)	-	-	-	-		-	(1,850,753)
Total changes that relate to current service	<u>(7,081,733)</u>	<u>(1,923,722)</u>	<u>(2,662,805)</u>	<u>(6,891,814)</u>	<u>(2,605,457)</u>		<u>(12,160,076)</u>	<u>(21,165,531)</u>
Changes that relate to past service								
Changes that relate to past service - changes in the FCF relating to the LIC	4,715,206	(71,998)	-	-	-		-	4,643,208
Total changes that relate to past service	<u>4,715,206</u>	<u>(71,998)</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>4,643,208</u>
Finance income (expenses) from insurance contracts issued								
Interest rate	48,750,244	(9,782)	668,423	1,924,950	484,900		3,078,273	51,818,735
Foreign exchange gain/loss and others	(1,205,911)	-	-	-	-		-	(1,205,911)
Other comprehensive income	52,006,512	5,902	-	-	-		-	52,012,414
Total finance income (expenses) from insurance contracts issued	<u>99,550,845</u>	<u>(3,880)</u>	<u>668,423</u>	<u>1,924,950</u>	<u>484,900</u>		<u>3,078,273</u>	<u>102,625,238</u>
Foreign exchange gain/loss	(53,946,676)	(844,678)	(1,593,081)	(2,036,446)	(2,655,747)		(6,285,274)	(61,076,628)
Exchange differences resulting from translating the financial statements of a foreign operation	<u>(7,774,605)</u>	<u>(69,874)</u>	<u>-</u>	<u>(11,741)</u>	<u>(184,262)</u>		<u>(196,003)</u>	<u>(8,040,482)</u>
Total amounts recognized in comprehensive income	<u>14,607,738</u>	<u>248,238</u>	<u>(4,953,389)</u>	<u>(16,422,518)</u>	<u>24,355,546</u>		<u>2,979,639</u>	<u>17,835,615</u>
Cash flows								
Premiums received	190,005,128	-	-	-	-		-	190,005,128
Claims paid and other directly attributable expenses and LIC paid	(199,375,959)	-	-	-	-		-	(199,375,959)
Insurance acquisition cash flows	(17,547,200)	-	-	-	-		-	(17,547,200)
Total cash flows	<u>(26,918,031)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>-</u>	<u>(26,918,031)</u>
Insurance contract liabilities as at June 30, 2025	<u>\$ 4,184,633,759</u>	<u>72,097,749</u>	<u>83,070,245</u>	<u>191,810,542</u>	<u>91,707,558</u>		<u>366,588,345</u>	<u>4,623,319,853</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

Items	For the six months ended June 30, 2026		
	Insurance contracts		Total
	Non-onerous contracts originated	Onerous contracts originated	
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	\$ 19,545,616	108,151	19,653,767
Claims and other directly attributable expenses	176,604,437	498,161	177,102,598
Subtotal	<u>196,150,053</u>	<u>606,312</u>	<u>196,756,365</u>
Estimates of present value of future cash inflows	(234,366,962)	(594,077)	(234,961,039)
Risk adjustment for non-financial risk	1,331,898	4,752	1,336,650
Contractual service margin	<u>36,885,011</u>	-	<u>36,885,011</u>
Loss on initial recognition	<u>\$ -</u>	<u>16,987</u>	<u>16,987</u>

Items	For the six months ended June 30, 2025		
	Insurance contracts		Total
	Non-onerous contracts originated	Onerous contracts originated	
Estimates of the present value of future cash outflows			
Insurance acquisition cash flows	\$ 17,817,924	346,192	18,164,116
Claims and other directly attributable expenses	183,072,396	3,967,820	187,040,216
Subtotal	<u>200,890,320</u>	<u>4,314,012</u>	<u>205,204,332</u>
Estimates of the present value of future cash inflows	(235,509,673)	(4,262,967)	(239,772,640)
Risk adjustment for non-financial risk	1,755,314	23,105	1,778,419
Contractual service margin	<u>32,864,039</u>	-	<u>32,864,039</u>
Loss on initial recognition	<u>\$ -</u>	<u>74,150</u>	<u>74,150</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (d) The composition and fair value of underlying items for insurance contracts with direct participation features

	June 30, 2026	December 31, 2025	June 30, 2025
Underlying items:			
Insurance product, non-separated account (Note)			
Cash and Cash Equivalents	\$ 74,005,977	69,040,641	58,792,951
Stocks	60,496,891	34,324,681	30,092,299
Government bonds	13,222,619	13,210,239	13,944,924
Corporate bonds	146,950,849	116,166,188	51,627,916
Financial bonds	38,321,835	31,025,579	22,805,637
Beneficiary certificates	100,958,971	55,811,715	58,769,864
Asset securitization products	152,071	163,054	164,736
Foreign exchange swaps	(105,335)	(404,415)	611,337
Forward exchange contracts	(5,141)	(4,783)	(194,980)
Insurance product, separated account			
Cash in bank	9,103,038	8,863,230	8,450,674
Government bonds	42,957	41,336	46,797
Beneficiary certificates	170,021,867	146,224,508	128,209,886
Structured notes	17,350	17,525	21,598
Others	342,289	161,683	190,736
Total	\$ 613,526,238	474,641,181	373,534,375

Note: Excludes receivables (payables) related to the underlying items.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (e) Reconciliation of the cumulative amounts recognized in OCI for financial assets measured at FVOCI related to groups of insurance contracts at the transition date

The Group has elected to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. Accordingly, for groups of insurance contracts to which the modified retrospective approach or the fair value approach is applied at the transition date, the Group has determined that the cumulative amount of insurance finance income or expenses recognized in other comprehensive income at the transition date (January 1, 2025) is zero. Therefore, the Group shall disclose a reconciliation of the opening and closing balances of the cumulative amounts recognized in other comprehensive income in respect of financial assets measured at fair value through other comprehensive income that relate to such groups of insurance contracts, as follows:

	For the six months ended June 30,	
	2026	2025
Opening balance	\$ (20,642,888)	(29,686,247)
Effects of retrospective application and retrospective restatement	(63,198,081)	-
Balance at beginning of period after adjustments	(83,840,969)	(29,686,247)
Unrealized losses/gains of investments measured at FVOCI	213,627,114	5,367,866
Net losses/gains on investments in debt instruments measured at FVOCI reclassified to profit or loss on disposal	(362,238)	(47,910)
Net losses/gains on investments in equity instruments measured at FVOCI reclassified to retained earnings on disposal	(96,814,108)	-
Others	(719,595)	325,874
Income tax relating to these items	3,316,665	(579,821)
Ending balance	\$ 35,206,869	(24,620,238)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(T) Reinsurance contracts

(a) Reconciliation of Reinsurance Contract Assets and Liabilities

Items	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	\$ 37,049,696	24,201	37,073,897	1,561,202	122,875	1,510	124,385	38,759,484
Reinsurance contract liabilities as at January 1, 2026	(4,301,804)	(23)	(4,301,827)	437,182	-	-	-	(3,864,645)
Balance, net at January 1, 2026	32,747,892	24,178	32,772,070	1,998,384	122,875	1,510	124,385	34,894,839
Reinsurance expenses	(939,973)	-	(939,973)	-	-	-	-	(939,973)
The amounts recovered from the reinsurer								
Incurred claims recovery	-	(2,276)	(2,276)	493,811	141,282	725	142,007	633,542
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	(2,963)	(2,963)	-	-	-	-	(2,963)
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	30,616	(14,608)	(460)	(15,068)	15,548
Total amounts recovered from the reinsurer	-	(5,239)	(5,239)	524,427	126,674	265	126,939	646,127
Effect of changes in the risk of reinsurers' non-performance	14,258	-	14,258	(326)	(8)	-	(8)	13,924
Income (expenses) from reinsurance contracts held	(925,715)	(5,239)	(930,954)	524,101	126,666	265	126,931	(279,922)
Finance (expenses) income from reinsurance contracts held								
Interest rate	227,134	59	227,193	1,790	317	-	317	229,300
Other comprehensive income/expenses-Net expenses from reinsurance contracts held	(905,924)	-	(905,924)	(578)	(174)	-	(174)	(906,676)
Total finance income (expenses) from reinsurance contracts held	(678,790)	59	(678,731)	1,212	143	-	143	(677,376)
Foreign exchange gain/loss	(736)	89	(647)	59	-	-	-	(588)
Exchange differences resulting from translating the financial statements of a foreign operation	5,684	(1,024)	4,660	(12,972)	-	-	-	(8,312)
Total amounts recognized in comprehensive income	(1,599,557)	(6,115)	(1,605,672)	512,400	126,809	265	127,074	(966,198)
Investment components	(247,499)	-	(247,499)	247,499	-	-	-	-
Cash flows								
Recoveries from reinsurance	-	-	-	(685,306)	(50,691)	-	(50,691)	(735,997)
Premiums paid net of ceding commissions and other directly attributable expenses paid	895,535	-	895,535	-	-	-	-	895,535
Total cash flows	895,535	-	895,535	(685,306)	(50,691)	-	(50,691)	159,538
Reinsurance contract assets as at June 30, 2026	36,045,444	18,104	36,063,548	1,350,818	198,992	1,774	200,766	37,615,132
Reinsurance contract liabilities as at June 30, 2026	(4,249,074)	(40)	(4,249,114)	722,159	-	-	-	(3,526,955)
Balance, net at June 30, 2026	\$ 31,796,370	18,064	31,814,434	2,072,977	198,992	1,774	200,766	34,088,177

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Items	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	\$ 35,064,632	5,336	35,069,968	1,156,163	102,748	1,712	104,460	36,330,591
Reinsurance contract liabilities as at January 1, 2025	(4,308,397)	-	(4,308,397)	451,811	-	-	-	(3,856,586)
Balance, net at January 1, 2025	30,756,235	5,336	30,761,571	1,607,974	102,748	1,712	104,460	32,474,005
Reinsurance expenses	(838,759)	-	(838,759)	-	-	-	-	(838,759)
The amounts recovered from the reinsurer								
Incurred claims recovery	-	(150)	(150)	561,014	92,291	431	92,722	653,586
Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held	-	7,240	7,240	-	-	-	-	7,240
Changes that relate to past service changes in the FCF relating to incurred claims recovery	-	-	-	57,868	(16,535)	(594)	(17,129)	40,739
Total amounts recovered from the reinsurer	-	7,090	7,090	618,882	75,756	(163)	75,593	701,565
Effect of changes in the risk of reinsurers' non-performance	17,201	-	17,201	(172)	1	-	1	17,030
Income (expenses) from reinsurance contracts held	(821,558)	7,090	(814,468)	618,710	75,757	(163)	75,594	(120,164)
Finance income (expenses) from reinsurance contracts held								
Interest rate	217,222	88	217,310	1,692	315	-	315	219,317
Other comprehensive income/expenses-Net expenses from reinsurance contracts held	699,015	-	699,015	227	50	-	50	699,292
Total finance income (expenses) from reinsurance contracts held	916,237	88	916,325	1,919	365	-	365	918,609
Foreign exchange gain/loss	5,336	225	5,561	(447)	-	-	-	5,114
Exchange differences resulting from translating the financial statements of a foreign operation	4,089	(695)	3,394	(358)	-	-	-	3,036
Total amounts recognized in comprehensive income	104,104	6,708	110,812	619,824	76,122	(163)	75,959	806,595
Investment components	(101,867)	-	(101,867)	101,867	-	-	-	-
Cash flows								
Recoveries from reinsurance	-	-	-	(832,115)	(77,626)	-	(77,626)	(909,741)
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,096,708	-	1,096,708	-	-	-	-	1,096,708
Total cash flows	1,096,708	-	1,096,708	(832,115)	(77,626)	-	(77,626)	186,967
Reinsurance contract assets as at June 30, 2025	36,035,106	10,564	36,045,670	1,026,251	101,243	1,549	102,792	37,174,713
Reinsurance contract liabilities as at June 30, 2025	(4,179,927)	1,480	(4,178,447)	471,300	-	-	-	(3,707,147)
Balance, net at June 30, 2025	\$ 31,855,179	12,044	31,867,223	1,497,551	101,243	1,549	102,792	33,467,566

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) Reconciliation of the Components of Reinsurance Contract Assets and Liabilities

Items	Present value of future cash flow	Risk adjustment for non-financial risk	Contractual service margin (CSM)				Subtotal	Total
			Under the modified retrospective approach	Under the fair value approach	Others			
Reinsurance contract assets as at January 1, 2026	\$ 31,140,333	2,045,861	1,944	5,119,389	366,738		5,488,071	38,674,265
Reinsurance contract liabilities as at January 1, 2026	(5,362,419)	290,194	362,082	580,071	267,595		1,209,748	(3,862,477)
Balance, net at January 1, 2026	25,777,914	2,336,055	364,026	5,699,460	634,333		6,697,819	34,811,788
Changes that relate to future service								
Changes in estimates that adjust the CSM	(236,537)	(65,071)	(6,903)	249,318	59,193		301,608	-
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	(19)	(2,456)	(1,041)		(3,516)	(3,516)
Contracts initially recognized in the period	(26,976)	4,870	-	-	22,658		22,658	552
Total changes that relate to future service	(263,513)	(60,201)	(6,922)	246,862	80,810		320,750	(2,964)
Changes that relate to current service								
CSM recognized for the services received	-	-	(8,911)	(157,950)	(52,537)		(219,398)	(219,398)
Change in the risk adjustment for non-financial risk for the risk expired	-	(2,376)	-	-	-		-	(2,376)
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	(76,576)	-	-	-	-		-	(76,576)
Total changes that relate to current service	(76,576)	(2,376)	(8,911)	(157,950)	(52,537)		(219,398)	(298,350)
Changes that relate to past service								
Changes in the FCF relating to incurred claims recovery	32,934	(2,318)	-	-	-		-	30,616
Total changes that relate to past service	32,934	(2,318)	-	-	-		-	30,616
Effect of changes in the risk of reinsurers non-performance	13,933	-	-	-	-		-	13,933
Income (expenses) from reinsurance contracts held	(293,222)	(64,895)	(15,833)	88,912	28,273		101,352	(256,765)
Finance income (expenses) from reinsurance contracts held								
Interest rate	176,102	-	1,869	42,529	8,483		52,881	228,983
Other comprehensive income/expenses-Net expenses from reinsurance contracts held	(906,502)	-	-	-	-		-	(906,502)
Total finance income (expenses) from reinsurance contracts held	(730,400)	-	1,869	42,529	8,483		52,881	(677,519)
Foreign exchange gain/loss	(1,243)	106	74	211	264		549	(588)
Exchange differences resulting from translating the financial statements of a foreign operation	14,161	(1,385)	-	(1,353)	(19,735)		(21,088)	(8,312)
Other movements	(2)	-	-	-	-		-	(2)
Cash flows								
Recoveries from reinsurance	(685,306)	-	-	-	-		-	(685,306)
Premiums paid net of ceding commissions and other directly attributable expenses paid	832,780	-	-	-	-		-	832,780
Total cash flows	147,474	-	-	-	-		-	147,474
Reinsurance contract assets as at June 30, 2026	30,215,020	1,984,581	2,118	5,032,277	309,037		5,343,432	37,543,033
Reinsurance contract liabilities as at June 30, 2026	(5,300,336)	285,300	348,018	797,483	342,581		1,488,082	(3,526,954)
Balance, net at June 30, 2026	\$ 24,914,684	2,269,881	350,136	5,829,760	651,618		6,831,514	34,016,079

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Items	Present value of future cash flow	Risk adjustment for non-financial risk	Contractual service margin (CSM)					Total
			Under the modified retrospective approach	Under the fair value approach	Others	Subtotal		
Reinsurance contract assets as at January 1, 2025	\$ 32,591,519	1,538,525	1,864	2,117,754	10,900	2,130,518	36,260,562	
Reinsurance contract liabilities as at January 1,2025	(4,863,820)	177,223	424,953	242,940	162,118	830,011	(3,856,586)	
Balance, net at January 1, 2025	27,727,699	1,715,748	426,817	2,360,694	173,018	2,960,529	32,403,976	
Changes that relate to future service								
Changes in estimates that adjust the CSM	(696,158)	61,773	(6,275)	539,375	101,285	634,385	-	
Changes in estimates that relate to losses and reversals of losses on onerous underlying contracts	-	-	(143)	1,059	6,159	7,075	7,075	
Contracts initially recognized in the period	(395,293)	21,181	-	-	374,277	374,277	165	
Total changes that relate to future service	(1,091,451)	82,954	(6,418)	540,434	481,721	1,015,737	7,240	
Changes that relate to current service								
CSM recognized for the services received	-	-	(11,076)	(78,479)	(45,194)	(134,749)	(134,749)	
Change in the risk adjustment for non-financial risk for the risk expired	-	713	-	-	-	-	713	
Experience adjustments - relating to incurred claims and other directly attributable expenses recovery	9,554	-	-	-	-	-	9,554	
Total changes that relate to current service	9,554	713	(11,076)	(78,479)	(45,194)	(134,749)	(124,482)	
Changes that relate to past service								
Changes in the FCF relating to incurred claims recovery	59,437	(1,568)	-	-	-	-	57,869	
Total changes that relate to past service	59,437	(1,568)	-	-	-	-	57,869	
Effect of changes in the risk of reinsurers non-performance	17,029	-	-	-	-	-	17,029	
Income (expenses) from reinsurance contracts held	(1,005,431)	82,099	(17,494)	461,955	436,527	880,988	(42,344)	
Finance income (expenses) from reinsurance contracts held								
Interest rate	192,291	59	1,965	17,037	7,650	26,652	219,002	
Other comprehensive income/expenses-Net expenses from reinsurance contracts held	699,249	(7)	-	-	-	-	699,242	
Total finance income (expenses) from reinsurance contracts held	891,540	52	1,965	17,037	7,650	26,652	918,244	
Foreign exchange gain/loss	(28)	10,038	(425)	(401)	(4,070)	(4,896)	5,114	
Exchange differences resulting from translating the financial statements of a foreign operation	10,223	288	-	(151)	(7,324)	(7,475)	3,036	
Cash flows								
Recoveries from reinsurance	(832,115)	-	-	-	-	-	(832,115)	
Premiums paid net of ceding commissions and other directly attributable expenses paid	1,004,057	-	-	-	-	-	1,004,057	
Total cash flows	171,942	-	-	-	-	-	171,942	
Reinsurance contract assets as at June 30, 2025	33,203,025	1,596,339	1,883	1,991,096	372,740	2,365,719	37,165,083	
Reinsurance contract liabilities as at June 30, 2025	(5,407,079)	211,886	408,980	848,037	233,061	1,490,078	(3,705,115)	
Balance, net at June 30, 2025	\$ 27,795,946	1,808,225	410,863	2,839,133	605,801	3,855,797	33,459,968	

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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

	Reinsurance contracts held	
	For the six months ended June 30,	
	2026	2025
Estimates of present value of future cash outflows	\$ (290,129)	(3,262,329)
Estimates of present value of future cash inflows	263,153	2,867,036
Risk adjustment for non-financial risk	4,870	21,181
Contractual service margin	<u>22,658</u>	<u>374,277</u>
Impact of contracts initially recognized during the period	<u><u>\$ 552</u></u>	<u><u>165</u></u>

- (U) Inputs, assumptions and estimation techniques used in the measurement of insurance contracts and reinsurance contracts

The Group applies the following inputs, methodologies and significant estimates in order to meet the measurement requirements of IFRS 17 “Insurance Contracts”.

- (a) 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. All reasonable and supportable information, including both internal and external information, is incorporated in an unbiased and objective manner. Historical data relating to claims payments and other relevant experiences are updated to reflect current expectations of future events.

Estimates of future cash flows reflect the 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 fulfillment of the contract and include amounts paid to policyholders (or on their behalf), insurance acquisition cash flows, and other costs incurred to fulfill the contract. These cash flows include amounts for which the Group has discretion over the amount or timing.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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 fulfill 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 fulfill contracts include both directly attributable costs and allocations of fixed and variable indirect overheads.

For protection-type and savings-type insurance contracts, uncertainty in the estimation of future claims, benefits and premiums mainly arises from the unpredictability of long-term changes in mortality, variability in policyholder behaviour, and uncertainty in future inflation and expense growth rates.

For investment contracts with direct participation features, uncertainty in future claims and benefits mainly arises from variability in policyholder behaviour. Interest rate guarantees embedded in investment contracts with discretionary participation features are measured using stochastic models due to their asymmetric outcomes under different interest rate scenarios. These guarantees are measured using models that represent the full range of possible future interest rate environments.

At each reporting date, the Group reassesses and updates the assumptions used to estimate future cash flows. The following sets out the significant methodologies and assumptions applied by the parent company and its subsidiaries.

1) Mortality assumptions

Mortality assumptions are derived from the Group's actual mortality claims experience. Analyses are performed by product type and further segmented by gender, attained age and policy year. Observed trends in mortality claims development are taken into consideration in determining best estimate mortality assumptions for each product, in order to reasonably assess future claims payment levels.

Where experience data are insufficient or lack statistical significance, market information is used to develop assumptions to ensure that the resulting assumptions are reasonable and robust.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2) Lapse assumptions

Best estimate lapse assumptions are determined by grouping products based on characteristics such as product type, policy currency, premium payment period and surrender charge period. The assumptions are developed with reference to each product group's characteristics, actual experience over recent years, and adjusted to reflect reasonable expectations of overall lapse trends.

3) Expense assumptions

Best estimate expense assumptions are principally based on the Group's actual expense experience. Expenses are classified in accordance with IFRS 17 into insurance acquisition cash flows, maintenance expenses directly attributable to insurance contracts, and expenses not directly attributable to insurance contracts. Taking into consideration the nature of expenses, product characteristics and distribution channels, appropriate allocation bases (such as policy counts or premiums) are selected to determine expense-related assumptions.

4) Determination of discretion for contracts without direct participation features

The formula for determining declared interest rates is established based on investment yields, market interest rates and regulatory limits, and reflects the necessary profit margins and expense assumptions.

5) Morbidity assumptions

Morbidity assumptions are derived from the Group's actual morbidity claims experience. Analyses are performed by product type and further segmented by gender, attained age and policy year. Observed trends in morbidity claims development are taken into consideration in determining best estimate morbidity assumptions for each product, in order to reasonably assess future claims payment levels.

(2) Measurement approach for the risk adjustment for non-financial risk

The risk adjustment for non-financial risk reflects the compensation that the Group requires for bearing the uncertainty in the amount and timing of future cash flows arising from non-financial risk. The Group applies the confidence level approach and measures the risk adjustment for non-financial risk at a confidence level of 75%.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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Subsidiaries determine the measurement approach for the risk adjustment for non-financial risk based on local practices and regulatory requirements.

(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. In accordance with NO. Jin-Guan-Bao-Cai-Zi 11404901651, the Group constructs discount rates based on the Insurance Capital Standard (ICS) issued by the International Association of Insurance Supervisors on 5 December 2024, using risk-free interest rates with the addition of liquidity premiums.

Risk-free interest rate curves for each currency are determined based on values provided by the competent authority or designated third-party institutions, or using a three-segment approach approved by the competent authority. Liquidity premiums for ICS segmented assets are determined using the ICS “Three Bucket Approach” with a non-linear decreasing methodology. In response to regulatory requirements relating to interest rate conversion measures for high-interest policies, an additional parallel liquidity premium is applied over the entire duration for policies with reserving interest rates of 6% or above at inception.

For overseas insurance subsidiaries, discount rates used to measure insurance contract liabilities under IFRS 17 are constructed using a three-segment framework similar to the ICS, subject to compliance with IFRS 17 and NO. Jin-Guan-Bao-Cai-Zi 11404901651. Risk-free yield curves are extrapolated to the long-term forward rate using the Smith-Wilson methodology, with the addition of liquidity premiums. Given differences in interest rate environments and operating conditions across overseas markets, the parameters used to construct discount rates are determined in accordance with local regulations and market practices, as described below.

1) Fubon Hyundai Life Insurance

Discount rates are determined based on rates published monthly by the Korean Financial Supervisory Service (FSS), calculated as risk-free rates plus liquidity premiums using an approach similar to the ICS. Risk-free yield curves are constructed using a three-segment approach, with extrapolation performed using the Smith-Wilson method, and liquidity premiums are directly provided by the FSS.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2) Fubon Life Insurance (Hong Kong)

Discount rates are constructed using risk-free rates plus liquidity premiums in a manner consistent with the ICS. Risk-free rates follow the Hong Kong RBC framework, while liquidity premiums are derived from reference portfolio yields net of risk-free rates and corresponding credit risk premiums.

3) Fubon Life Insurance (Vietnam)

Discount rates are constructed using risk-free rates plus liquidity premiums consistent with the ICS approach. Risk-free rates reference ICS principles and Vietnam's 2022 RBC QIS framework. Liquidity premiums are derived with reference to neighbouring ICS jurisdictions, using U.S. credit spreads weighted by global allocation.

As of June 30, 2026, the differences between the discount rate construction parameters adopted by each subsidiary and those prescribed under NO. Jin-Guan-Bao-Cai-Zi 11404901651 are summarized below:

Currency	The Company		Subsidiary- Fubon Hyundai Life Insurance	Subsidiary-Fubon Life Insurance (Hong Kong)		Subsidiary- Fubon Life Insurance (Vietnam)
	NTD	USD	KRW	HKD	USD	VND
Market range						
Final observation period	10 years	30 years	23 years	15 years	30 years	10 years
						The credit spread is derived by referencing U.S. market credit spreads and calculated using a World-weighted average methodology, resulting in 30.3 basis points.
Liquidity premium	24.4bps	41.3bps	41.4bps	Weighted Bond Spread	Weighted Bond Spread	
Extrapolation range						
Convergence approach	Smith-Wilson	Smith-Wilson	Smith-Wilson	Smith-Wilson	Smith-Wilson	Smith-Wilson
Convergence range						
Convergence period	60 years	60 years	60 years	60 years	60 years	60 years
Long-term risk-free forward rate	4.40%	3.80%	4.30%	3.80%	3.80%	5.65%

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

As at June 30, 2026, the Group assessed the impact on insurance contract liabilities of Fubon Hyundai Life Insurance and Fubon Life Insurance (Hong Kong) if discount rate parameters prescribed by Taiwan's regulator were applied, and determined the impact on insurance contract liabilities to be 0.10% and (0.05)% for two subsidiaries, respectively. As Vietnam is not an ICS participating jurisdiction and no TIS discount rate information is available, no comparative assessment was performed for Fubon Life Insurance (Vietnam).

For cash flows that do not vary with returns on underlying items, the Group applies the following primary discount rate curves.

	June 30, 2026				
	1 year	5 years	10 years	15 years	20 years
The Company					
NTD	1.57%~1.62%	1.69%~1.88%	1.74%~1.98%	2.12%~2.34%	2.56%~2.74%
USD	3.97%~4.14%	4.19%~4.69%	4.46%~5.09%	4.85%~5.51%	5.08%~5.76%
AUD	4.43%~4.50%	4.35%~4.58%	4.73%~5.04%	4.98%~5.32%	5.21%~5.57%
EUR	2.59%~2.73%	2.64%~2.97%	2.83%~3.26%	3.01%~3.48%	3.08%~3.57%
CNY	1.12%~1.19%	1.44%~1.65%	1.76%~1.94%	2.46%~2.58%	3.17%~3.26%
Subsidiary-Fubon Life Insurance (Vietnam)					
VND	3.70%	4.55%	4.75%	5.03%	5.22%
Subsidiary-Fubon Life Insurance (Hong Kong)					
HKD	3.60%	3.45%	3.49%	3.60%	3.62%
USD	4.23%	4.36%	4.55%	4.89%	5.08%
Subsidiary-Fubon Hyundai Life Insurance					
KRW	3.69%	4.29%	4.45%	4.58%	4.67%
	December 31, 2025				
	1 year	5 years	10 years	15 years	20 years
The Company					
NTD	1.23%~1.29%	1.31%~1.52%	1.37%~1.63%	1.81%~2.03%	2.30%~2.48%
USD	3.45%~3.65%	3.70%~4.23%	4.20%~4.82%	4.67%~5.30%	4.97%~5.61%
AUD	3.96%~4.04%	4.26%~4.50%	4.76%~5.06%	5.02%~5.34%	5.23%~5.56%
EUR	2.07%~2.14%	2.48%~2.65%	2.86%~3.07%	3.10%~3.34%	3.21%~3.45%
CNY	1.34%~1.48%	1.64%~2.07%	1.87%~2.25%	2.52%~2.78%	3.21%~3.40%
Subsidiary-Fubon Life Insurance (Vietnam)					
VND	3.13%	3.48%	4.38%	4.98%	5.26%
Subsidiary-Fubon Life Insurance (Hong Kong)					
HKD	2.96%	2.90%	3.21%	3.39%	3.45%
USD	3.78%	3.88%	4.31%	4.72%	4.97%
Subsidiary-Fubon Hyundai Life Insurance					
KRW	2.96%	3.65%	3.80%	3.83%	3.73%

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	June 30, 2025				
	1 year	5 years	10 years	15 years	20 years
The Company					
NTD	1.31%~1.43%	1.46%~1.79%	1.50%~1.88%	1.90%~2.23%	2.38%~2.64%
USD	3.90%~4.05%	3.75%~4.14%	4.26%~4.70%	4.67%~5.14%	4.94%~5.41%
AUD	3.27%~3.36%	3.46%~3.74%	4.19%~4.52%	4.52%~4.88%	4.80%~5.16%
EUR	1.90%~2.00%	2.18%~2.39%	2.53%~2.80%	2.73%~3.02%	2.76%~3.05%
CNY	1.34%~1.42%	1.52%~1.76%	1.66%~1.88%	2.28%~2.44%	3.01%~3.12%
Subsidiary-Fubon Life Insurance (Vietnam)					
VND	2.49%	2.99%	3.58%	3.99%	4.36%
Subsidiary-Fubon Life Insurance (Hong Kong)					
HKD	2.86%	2.95%	3.17%	3.27%	3.3%
USD	4.29%	4.11%	4.53%	4.85%	5.02%
Subsidiary-Fubon Hyundai Life Insurance					
KRW	2.73%	3.01%	3.23%	3.21%	3.26%

(b) 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. Coverage units are determined by considering the quantity of insurance coverage provided by each insurance contract and its expected coverage duration, and are reviewed and updated at each reporting date.

For insurance contracts that provide both insurance coverage and investment services, coverage units are determined by assessing the relative weight of benefits provided to policyholders, in order to reflect how the benefits of each service are expected to be provided over the coverage period and aggregated accordingly.

In determining coverage units for various types of insurance contract services, the Group has appropriately reflected its fulfillment of obligations in providing such services. Accordingly, different weightings are not applied to coverage units for different types of services.

(c) Investment components

Investment components are identified as amounts that are required to be repaid to policyholders in all circumstances. For example, the investment component of certain life insurance products is calculated based on the cash surrender value. Investment components are excluded from insurance revenue and insurance service expenses.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(V) Provisions

	June 30, 2026	December 31, 2025	June 30, 2025
Decommissioning liability	\$ 106,325	104,656	102,438
Employee benefits liabilities	5,425,096	5,550,635	5,993,101
Other provisions	135,182	143,209	145,170
	<u>\$ 5,666,603</u>	<u>5,798,500</u>	<u>6,240,709</u>

(a) Decommissioning liability

	Decommissioning liability
Balance of January 1, 2026	\$ 104,656
Increase of provisions	7,708
Reversal of provisions	(7,032)
Discounting and amortization of provisions	1,292
Reclassification to other income	(255)
Reclassification	573
Effect of changes in foreign exchange rates	(617)
Balance of June 30, 2026	<u>\$ 106,325</u>
Balance of January 1, 2025	\$ 97,043
Increase of provisions	11,117
Reversal of provisions	(4,938)
Discounting and amortization of provisions	1,231
Reclassification to other income	(145)
Effect of changes in foreign exchange rates	(1,870)
Balance of June 30, 2025	<u>\$ 102,438</u>

(b) Employee benefit

(1) Defined benefit plan

There was no significant volatility of the market, any significant reimbursement, settlement, or other one-time event in the prior fiscal year. Therefore, the Group used the pension cost as of December 31, 2025 and 2024 to measure and disclose the interim pension cost.

The Group's expenses 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
Pension expenses	\$ 60,561	73,642	121,677	147,891
Pension (Survivor relief)	1,922	1,923	3,843	3,846
Total	<u>\$ 62,483</u>	<u>75,565</u>	<u>125,520</u>	<u>151,737</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Defined contribution plan

The Group's pension expenses under the defined contribution plan 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>
Pension expenses	<u>\$ 198,391</u>	<u>195,847</u>	<u>383,045</u>	<u>383,325</u>

(W) Other liabilities

	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Premiums received in advance	\$ 1,560,639	601,426	965,238
Unearned revenue	391,567	506,016	455,660
Output VAT payable	76,741	53,623	64,104
Other advance receipts	8,788	63,348	34,844
Service contract liabilities	5,306,600	4,902,930	4,592,647
Guarantee deposits	1,796,636	1,820,633	14,408,534
Receipts pending allocation	420,959	642,738	411,358
Reserve for foreign exchange valuation	153,677,269	142,124,635	51,580,582
Other provisions – others	82,587,667	79,350,735	76,193,248
Unamortized accumulated unrealized net exchange gain or loss for AC	22,427,582	-	-
Other liabilities – others	199,784	310,266	264,674
Total	<u>\$ 268,454,232</u>	<u>230,376,350</u>	<u>148,970,889</u>

(a) Service contract

The contract assets and contract liabilities recognized by the Group in relation to asset management service revenue are as follows:

	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>	<u>January 1,</u> <u>2025</u>
Service contract assets	<u>\$ 4,151</u>	<u>-</u>	<u>-</u>	<u>-</u>
Service contract liabilities	<u>\$ 5,306,600</u>	<u>4,902,930</u>	<u>4,592,647</u>	<u>4,240,691</u>

The amount of revenue recognized in the current period that was included in the opening balance of service contract liabilities is 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>
Revenue recognized in the current period that was included in the opening contract liability balance	<u>\$ 245,713</u>	<u>42,512</u>	<u>490,509</u>	<u>85,047</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For asset management service contracts for which performance obligations had been satisfied (or partially satisfied) in prior periods, a portion of the consideration was not recognized as revenue due to the constraint on variable consideration. The amount of revenue recognized in the current period in relation to such prior-period performance is 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>
Revenue recognized in the current period from performance obligations partially satisfied in prior periods	<u>\$ 179,415</u>	<u>30</u>	<u>357,983</u>	<u>80</u>

Changes in contract assets and contract liabilities are primarily driven by the differences between the timing of satisfaction of performance obligations and the timing of customer payments.

The aggregate transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations under asset management service contracts entered into between the Company and its customers is as follows:

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
The transaction price allocated to the unsatisfied (or partially unsatisfied) contract performance obligations	<u>\$ 6,854,806</u>	<u>4,592,647</u>

Management expects that the transaction price allocated to the remaining performance obligations will be recognized as revenue in the following periods. The amounts do not include any estimates of variable consideration that are constrained, as follows:

	<u>June 30, 2026</u>	<u>June 30, 2025</u>
Less than one year	\$ 279,345	184,641
One to three years	550,828	369,128
Three to five years	529,379	369,002
More than five years	5,495,254	3,669,876
Total	<u>\$ 6,854,806</u>	<u>4,592,647</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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(b) Reserve for foreign exchange valuation

(1) Hedging strategy and risk exposure

The foreign exchange hedging strategy is the primarily perfect hedge, together with natural hedge and currency proxy hedge. To ensure the effectiveness and appropriateness of hedging, the rationality of the hedging cost is considered and the hedging strategy and hedging proportion are dynamically adjusted. The interval of foreign exchange hedge ratio is determined by the bearing capability of foreign exchange risk.

(2) The movements in reserve for foreign exchange valuation are as follows:

	For the six months ended June 30, 2026	For the six months ended June 30, 2025				
	Reserve for foreign exchange valuation	Reserve for foreign exchange valuation	Valuation surplus for investment property	Provision for operating losses	Recovered liability reserve of catastrophe	Other reserves
Beginning balance	\$ 142,124,635	21,480,601	652,267	1,651,295	2,210	5,700,000
Current provision :						
Fixed Reserve provision	10,262,996	-	-	-	-	-
Fluctuation Reserve provision	3,526,920	-	-	-	-	-
Compulsory provision	-	3,692,453	-	-	-	-
Additional provision (Note1, 2)	-	72,478,936	-	-	-	-
Subtotal	<u>13,789,916</u>	<u>76,171,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current recovery:						
Fluctuation Reserve recovery	(2,237,282)	-	-	-	-	-
Additional recovery	-	(54,077,180)	-	-	-	-
Subtotal	<u>(2,237,282)</u>	<u>(54,077,180)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total reserves reclassified this period (Note 1)	-	8,005,772	(652,267)	(1,651,295)	(2,210)	(5,700,000)
Ending balance	<u>\$ 153,677,269</u>	<u>51,580,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Note 1: In May 2025, the Group was approved under Letter No. Jin-Guan-Bao-Zhou-Zi 1140421006 to reclassify a designated reserve amounting to \$8,005,772 thousand from specific liabilities to foreign exchange valuation reserve. This amount was recognized under other liabilities - others on the transition date of IFRS 17 and was reclassified to reserve for foreign exchange valuation in May 2025. Additionally, the Group applied to the FSC and obtained approval under the aforementioned letter to appropriate NT\$10,000,000 thousand as foreign exchange valuation reserve in May 2025.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 2: In June 2025, the Group was approved under Letter No. Jin-Guan-Bao-Cai-Zi 11404924811 to release and provision its policy reserves of \$56,127,322 thousand to foreign exchange valuation reserve. This amount was recognized under other liabilities - others on the transition date of IFRS 17 and was reclassified to reserve for foreign exchange valuation in June 2025.

(3) Effect of the reserve for foreign exchange valuation

<u>Item</u>	<u>Not applied amount</u>	<u>Applied amount</u>	<u>Effect</u>
June 30, 2026			
Foreign exchange valuation reserve	\$ -	153,677,269	(153,677,269)
Equity attributable to owners of parent	998,313,953	883,381,918	114,932,035
December 31, 2025			
Foreign exchange valuation reserve	-	142,124,635	(142,124,635)
Equity attributable to owners of parent	695,314,997	589,625,069	105,689,928
June 30, 2025			
Foreign exchange valuation reserve	-	51,580,582	(51,580,582)
Equity attributable to owners of parent	520,663,829	487,409,144	33,254,685

<u>Item</u>	<u>For the six months ended June 30, 2026</u>			<u>For the six months ended June 30, 2025</u>		
	<u>Not applied amount</u>	<u>Applied amount</u>	<u>Effect</u>	<u>Not applied amount</u>	<u>Applied amount</u>	<u>Effect</u>
Net profit attributable to owners of parent	\$ 64,867,250	55,625,143	9,242,107	(62,950,621)	(80,625,988)	17,675,367
Earnings per share	5.48	4.70	0.78	(5.32)	(6.81)	1.49

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(X) Shareholders' equity

(a) Common stock

As of June 30, 2026, December 31 and June 30, 2025, the Company had authorized capital of \$150,000,000 thousand, and issued common stock of \$118,420,450 thousand, with a \$10 par value per share.

(b) Capital surplus

According to the R.O.C. Company Act, the capital surplus arising from shares issued in excess of par and donations may be used to offset a deficit; in addition, when the Company has no deficit, the capital surplus may be distributed as cash dividends, or transferred to capital (limited to 10% of the paid-in capital and once a year).

	June 30, 2026	December 31, 2025	June 30, 2025
Additional paid-in capital	\$ 7,463,192	7,463,192	7,463,192
Changes in ownership interests in subsidiaries	1,187,549	1,187,549	1,276,641
Changes in equity of associates and joint ventures accounted for using equity method	1,847,725	2,035,635	2,040,616
Consolidation excess	20,340,460	20,340,460	20,340,460
Others	134,778	134,778	134,778
Total	<u>\$ 30,973,704</u>	<u>31,161,614</u>	<u>31,255,687</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(c) Retained earnings and earnings appropriation

(1) Legal reserve

According to the R.O.C. Company Act, if the Company has no deficit and the legal reserve exceeds 25% of paid-in capital, the excess may be transferred to capital or distributed in cash pursuant to the resolution of the shareholders. If the Company intends to distribute in cash, NO. Jin-Guan-Bao-Cai-Zi 10202501991 shall be followed.

(2) Special reserve

	June 30, 2026	December 31, 2025	June 30, 2025
Recovered contingency risk reserve	\$ 11,125,170	10,702,525	10,702,525
Catastrophic risk reserve and contingency risk reserve	8,414,025	8,414,025	7,922,118
Reserve for foreign exchange valuation	99,343,918	84,740,227	84,740,227
Real estate increment recovered	2,609,068	2,609,068	2,609,068
Gains from the fluctuation of subsequent fair value measurement of investment property	24,968,936	25,500,226	25,500,226
The gains or losses on disposal of unexpired debt instruments	19,480,998	21,573,636	21,573,636
Bargain purchase gain	2,845,001	2,845,001	2,845,001
Net reduction of other shareholder's equity	70,047,362	47,207,670	47,207,670
Variable interest rate product segmented assets	20,903,243	20,903,243	20,903,243
Reserve for policy value deficiency	41,059,798	-	-
Special reserve for participating policy dividend	6,925,686	-	-
Others	112,523,376	109,421,586	109,406,688
Total	<u>\$ 420,246,581</u>	<u>333,917,207</u>	<u>333,410,402</u>

1) Special reserve for catastrophic risk reserve and contingency risk reserve

In accordance with Tai Tsai Pao No.0920700594, recovered contingency risk reserve can be transferred to special reserve regardless of whether the Company has earnings next year or not, pursuant to the resolution of the shareholders. Under the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, commencing from January 1, 2011, the special reserves for catastrophic risk reserve and contingency risk reserve for net of reinsurance business with the term below 1 year are provided annually. These reserves, net of income tax, are classified as special reserve under retained earnings.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2) Special reserve for foreign exchange valuation

The special reserve appropriated according to the “Guidance for Reserve for Foreign Exchange Valuation of Life Insurance Enterprises”, please refer to Note 4(H).

3) Special reserve for real estate increment recovered

In accordance with Letter No. Jin-Guan-Bao-Cai-Zi-10102515281 dated November 30, 2012 issued by FSC, the special reserve for increment due to first-time adoption of International Financial Reporting Standards in respect of property revaluation was reversed and transferred to special reserve within retained earnings. Effective January 1, 2026, pursuant to Letter No. Jin-Guan-Bao-Cai-Zi-11304903961 dated March 28, 2024, which supersedes the aforementioned letter, such special reserve is appropriated in restricting distributed earnings.

4) Special reserve for investment property subsequently measured at fair value

In accordance with NO. Jin-Guan-Bao-Cai-Zi 11304903961, the Company should appropriate special reserve for investment property in restricting distributed earnings, based on the net after tax effects of the first time adoption of investment property measured at fair value model and the accumulated net after tax gains on subsequent fair value measurements, respectively. Subsequently when related assets are disposed, the special reserve could be reversed in the proportion of initial recognition and requires the approval from the competent authorities. The distribution of the reversed amount will need to be in accordance with NO. Jin Guan Bao Cai Zi 10202501992.

5) Special reserve for the gains or losses on disposal of unexpired debt instruments

From January 1, 2019, in accordance with NO. Jin-Guan-Bao-Cai-Zi 11204939731 on November 13, 2023, the gains (losses) on disposal of unexpired debt instruments with the deduction of 20% of the tax rate should be appropriated as (recovered from) special reserve. The Company can reverse special reserve based on the amortization calculated with the residual periods to expiry dates. Debt instruments with uncertain expiration date could be amortized for 10 years.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

6) Special reserve for bargain purchase gain

In accordance with NO. Jin-Guan-Bao-Cai-Zi 10302153881 on February 10, 2015, the increase in retained earnings from bargain purchase gains, which is recognized due to mergers from self or subsidiaries, should recognize the same amount of special reserve and is barred from reversing within a year. After the expiration of one year, the special reserve can be used to cover the accumulated losses. If the value of the underlying asset after valuation is similar to that during the merger, yet to incur unexpected significant impairment, and being reviewed by the CPA, the special reserve can be recognized as capital.

In accordance with Bao Ju (Tsai) No.1120414605 on April 12, 2023, in order to maintain the sound and stability of financial structure, bargain purchase gains obtained through the equity method that has no cash inflow should follow the NO. Jin-Guan-Bao-Cai-Zi 10302153881 on February 10, 2015.

7) Special reserve for net reduction of other shareholder's equity

In accordance with NO. Jin-Guan-Bao-Cai-Zi 11004920441 on June 11, 2021, a portion of earnings shall be appropriated as special reserve during the earnings distribution. For the current debit balance on other equity interest, an equivalent amount of special reserve shall be appropriated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current period earnings. If the special reserve is insufficient, the Company should appropriate it from undistributed prior-period earnings. For the debit balance on other equity interest pertaining to prior periods, an equivalent amount of special reserve is appropriated from the undistributed prior-period earnings. If the Company has already appropriated a portion of earnings to special reserve under the preceding subparagraph, the Company shall make supplemental appropriation of special reserve for any difference between the amount it has already allocated and the amount mentioned above. The special reserve can be reversed due to net reduction of the debit balance of other shareholders' equity. In accordance with the regulations of NO. Jin-Guan-Bao-Cai-Zi 11104942741 on November 4, 2022, the Company reclassified the financial assets measured at fair value through other comprehensive income to financial assets measured at amortized cost. The changes in the fair value should be included in the debit balance in other equity. The amount incurred in the current year shall be provided for in the special reserve, and the special reserve can be reversed due to net reduction (including disposals) of the debit balance of other shareholders' equity.

8) Special reserve for variable interest rate product segmented assets

In accordance with NO. Jin-Guan-Bao-Cai-Zi 10804963711 on January 16, 2020, from July 1, 2020, if the life insurance industry still has surplus retained earnings for distribution after appropriating special reserves in accordance with other laws and regulations at the end of financial year, it should further appropriate special reserve in accordance with "Guidance for Product with Variable Interest Rate of Life Insurance Enterprises".

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9) Reserve for policy value deficiency

In accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and Letter No. Jin-Guan-Bao-Cai-Zi No. 11304930755 dated April 25, 2025, life insurance companies shall, upon the initial adoption of IFRS 17 “Insurance Contracts” and at the end of each reporting period thereafter, for each group of contracts, compare (i) the policy reserves recognized based on the liability for remaining coverage measured under the general measurement model and the variable fee approach with (ii) the corresponding policy value reserves, net of policy loans.

Where the former is less than the latter, a reserve for policy value deficiency shall be appropriated, within the amount of distributable earnings and in accordance with the methods prescribed by the competent authority, as a special reserve under retained earnings.

10) Special reserve for participating policy dividend

In accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, life insurance companies engaging in participating life insurance business shall, at the end of each fiscal year, determine the accumulated amount of differences between (i) the accounting profit or loss of the policyholder dividend account calculated in accordance with IFRS 17 and (ii) the timing of distribution of shareholder dividends, based on the “Guidelines for Allocation of Expenses and Revenues between Participating and Non-participating Life Insurance Policies” filed with the competent authority. Such amount shall be appropriated as a participating policy dividend reserve and recognized as a special reserve under retained earnings.

11) Other special reserve

In accordance with the NO. Jin-Guan-Bao-Cai-Zi 10502066461 on July 13, 2016, the Company should appropriate special reserve, from 0.5% to 1% of net profit when distributing earnings from the year 2016 through 2018. From the following year of the special reserve appropriated, the Company can reverse the same amount of expenses for the purpose of providing transforming trainings and safeguarding rights and interests of employees within the remaining balance of appropriated special reserve. NO. Jin-Guan-Bao-Cai-Zi 10804932431 was published on July 30, 2019, prior to the replacement of said document, the rule stated that starting on or after 2019, special reserves cannot be appropriated. However, if there are the above aforementioned transforming trainings and safeguarding rights expenses, based on the above special reserve amount, the Company can reverse the same amount of expenses.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

In accordance with the NO. Jin-Guan-Bao-Cai-Zi 11004908861 on March 26, 2021, life insurance industries should appropriate special reserve from all net profits after tax relating to disability insurance from 2020. If the net profit after tax of current year is insufficient to be appreciated, it shall be made up in the subsequent years. If there is a loss from disability insurance in the subsequent years, the special reserve can be reversed from initially recognition.

In accordance with NO. Jin-Guan-Bao-Cai-Zi 11304908291 on April 26, 2024, after the end of each fiscal year, to act in accordance with the “Table of Standard Premiums for Accident, Death and Disability Benefits under Individual Travel Accident Insurance” to take a prescribed share of premium income and set it aside to the special reserve account under owners’ equity. This prescribed share is calculated as follows: (10% of total premium income) – (20% nominal tax).

(3) Distribution of earnings

Under the Company's Articles of Incorporation, if after the annual closing of books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the legal reserve in accordance with laws and regulations. The Corporation may set aside or reverse an appropriate sum as special reserve according to the resolutions by the General Meeting of Shareholders or the applicable regulations of the competent authorities when deemed necessary and advisable. The remainder, together with the undistributed earnings in the previous year, constitutes the distributable profits. The Board shall present a proposal on the allocation of profits and submit it to the General Meeting of Shareholders for resolution.

The Company will distribute dividends accordance with the principle of stability and balance. The distribution of dividends for common shares shall not be less than 20% of the distributable profits. And pursuant to the Company’s operation planning, stock dividends may be declared to reserve for necessary funds, and the remainder may be distributed in cash, provided that cash dividend shall not be less than 10 % of the total dividend.

The stock dividend policy set forth above is a general principle guideline. The Company may decide upon the most appropriate dividend policy taking into account the actual operating condition, business needs, and capital planning. Subject to practical need, the principles of distribution of dividends may be adjusted by resolution at a General Meeting of Shareholders.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

In addition, If the Company has profits, the Company should allocate an amount ranged from 0.01% to 0.05% of the profits as employee compensation. If there is any difference between the actual distribution and the estimated amount, the difference will be recognized in the profit or loss in the current period. Employee compensation has been estimated the amounts of \$32,000 thousand and \$57,000 thousand for the years of 2025 and 2024, respectively. There is no difference between the actual distribution and the estimated amount for the years of 2024.

The information of the employee compensation approved by Board of Directors can be found on Market Observation Post System.

In addition, the Company executed the resolution approved by the Board of Directors on behalf of the shareholders' meeting on June 20, 2025 to distribute cash dividends which amounted to \$15,000,079 thousand from the undistributed retained earnings of 2024. The ex-dividend record date is July 1, 2025.

The Company executed the resolution approved by the Board of Directors on behalf of the shareholders' meeting on June 2, 2026 to distribute cash dividends which amounted to \$11,420,011 thousand from the undistributed retained earnings of 2025. The ex-dividend record date is June 24, 2026.

(d) Other equity items (net — after tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Revaluation of real estate property	Insurance finance income or expenses	Finance income or expenses of reinsurance contracts held	Total
Balance, January 1, 2026	\$ (10,016,575)	(31,518,992)	(202,264)	312,072	(82,107,701)	1,068,547	(122,464,913)
Effects of retrospective application and retrospective restatement	53,440	(69,029,513)	-	-	8,231,852	138	(60,744,083)
Other equity at beginning of period after adjustments	(9,963,135)	(100,548,505)	(202,264)	312,072	(73,875,849)	1,068,685	(183,208,996)
Amount recognized in other comprehensive income for the period	(2,903,693)	217,194,771	42,228	42,127	129,040,795	(907,258)	342,508,970
Amount of equity adjustments of associates accounted for using the equity method	275,186	21,104	64,498	-	-	-	360,788
Amount reclassified to profit or loss for the period	-	(371,751)	-	-	-	-	(371,751)
Disposal of equity instruments measured at fair value through other comprehensive income	-	(87,666,016)	-	-	-	-	(87,666,016)
Income tax effect	88,865	(7,809,787)	(23,119)	(8,426)	(26,338,481)	181,216	(33,909,732)
Balance, June 30, 2026	<u>\$ (12,502,777)</u>	<u>20,819,816</u>	<u>(118,657)</u>	<u>345,773</u>	<u>28,826,465</u>	<u>342,643</u>	<u>37,713,263</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Revaluation of real estate property	Insurance finance income or expenses	Finance income of expenses of reinsurance contracts held	Other (Note)	Total
Balance, January 1, 2025	\$ (9,480,592)	(41,663,543)	(152,721)	311,876	-	-	46,454,084	(4,530,896)
Effects of retrospective application and retrospective restatement	268,753	97,365	-	-	3,391,425	(2,364)	(46,454,084)	(42,698,905)
Other equity at beginning of period after adjustments	(9,211,839)	(41,566,178)	(152,721)	311,876	3,391,425	(2,364)	-	(47,229,801)
Amount recognized in other comprehensive income for the period	(3,058,317)	8,658,971	13,224	-	(51,752,728)	699,961	-	(45,438,889)
Amount of equity adjustments of associates accounted for using the equity method	916	(153,035)	(10,817)	-	-	-	-	(162,936)
Amount reclassified to profit or loss for the period	-	(109,215)	-	-	-	-	-	(109,215)
Disposal of equity instruments measured at fair value through other comprehensive income	-	18,782	-	-	-	-	-	18,782
Income tax effect	248,800	(1,228,804)	(421)	-	10,058,553	(140,126)	-	8,938,002
Balance, June 30, 2025	<u>\$ (12,020,440)</u>	<u>(34,379,479)</u>	<u>(150,735)</u>	<u>311,876</u>	<u>(38,302,750)</u>	<u>557,471</u>	<u>-</u>	<u>(83,984,057)</u>

Note: Amount shown above is other comprehensive profit (loss) reclassified using overlay approach.

(e) Non-controlling interests

	<u>For the six months ended June 30,</u>	
	<u>2026</u>	<u>2025</u>
Beginning balance	\$ 6,864,822	5,400,159
Shares attributable to non-controlling interests		
Net income	354,095	(331,867)
Exchange differences on translation of foreign financial statements	(421,527)	(161,803)
Other equity interest - others	752,610	376,809
Remeasurement of defined benefit plans	1,108	(976)
Ending balance	<u>\$ 7,551,108</u>	<u>5,282,322</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(Y) Income taxes

(a) Income tax (expense) profit 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>
Current tax (expense) profit				
Current period	\$ (2,250,509)	(5,070,211)	(2,307,881)	(5,131,429)
Adjustments for prior period	736,869	200,668	736,677	224,641
Foreign withholding tax	(58,966)	111,769	(94,588)	(120,700)
Pillar Two top-up tax	<u>2,129,242</u>	<u>-</u>	<u>(2,129,242)</u>	<u>-</u>
Subtotal	<u>(3,701,848)</u>	<u>(4,757,774)</u>	<u>(3,795,034)</u>	<u>(5,027,488)</u>
Deferred tax (expense) profit				
Reversal and recognition of temporary differences	(550,051)	13,513,103	(963,553)	8,520,098
Income tax (expense) profit	<u><u>\$ (4,251,899)</u></u>	<u><u>8,755,329</u></u>	<u><u>(4,758,587)</u></u>	<u><u>3,492,610</u></u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The details of income tax (expense) profit recognized in other comprehensive income 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 not be reclassified subsequently to profit or loss:				
Revaluation of real estate property	\$ -	-	(8,425)	-
Remeasurement of defined benefit plans	(3,589)	1,717	(3,073)	1,745
Valuation gains (losses) on equity instruments measured at fair value through other comprehensive income	(8,124,046)	(108,691)	(10,655,333)	(175,481)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(1,124)	16,657	(1,121)	18,080
Items may be reclassified subsequently to profit or loss:				
Exchange differences on translation	76,145	654,481	143,903	248,982
Gains (losses) on hedging instruments	(16,157)	954	(11,547)	(2,493)
Valuation gains (losses) on debt instruments measured at fair value through other comprehensive income	(1,379,498)	(486,970)	2,938,153	(1,200,372)
Insurance finance income or expenses recognized in other comprehensive income	(7,984,276)	12,786,805	(26,669,932)	10,118,870
Reinsurance finance income or expenses recognized in other comprehensive income	75,192	(134,280)	181,075	(139,971)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(46,532)	(8,652)	(67,937)	1,980
	<u>\$ (17,403,885)</u>	<u>12,722,021</u>	<u>(34,154,237)</u>	<u>8,871,340</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (b) Fubon Financial Holding Company, the parent company of the Company, appointed to be the taxpayer itself; therefore, commencing from 2010, the Company's corporate income tax return and undistributed earnings tax return have been filed on a consolidated basis with Fubon Financial Holding Company and its qualifying subsidiaries.
- (c) In regard to all taxes filed for the year but not approved yet, the Group evaluated correlation factors which include relevant regulations and previous experiences, and determined that sufficient income tax liability is reliably accrued.
- (d) For the approved income tax filed by the Company up to the 2020, in regard to the adjustments determined by the tax authority, the Company has proposed administrative remedies for the adjustments determined by the tax authority for the years 2014 and 2016 through 2019. In addition, the administrative remedies for 2020 are intended to be filed within the statutory period. The income tax returns of the subsidiary, Fubon Green Power, and the sub-subsidiaries, Sumray Power and Li Tong have all been assessed and approved by the tax authorities through the year 2024.

(Z) Earnings per share

The Group's earnings per share calculated based on simple capital structure are as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Profit attributable to ordinary shareholders of the Company	\$ <u>40,503,783</u>	<u>(40,465,213)</u>	<u>55,625,143</u>	<u>(80,625,988)</u>
Weighted average number of ordinary shares (in thousand)	<u>11,842,045</u>	<u>11,842,045</u>	<u>11,842,045</u>	<u>11,842,045</u>
Basic earnings per share (dollar)	\$ <u>3.42</u>	<u>(3.42)</u>	<u>4.70</u>	<u>(6.81)</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AA) Insurance Revenue

(a) Detail of insurance revenue

				For the three 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			
				Direct underwriting	Assumed Reinsured		Total	Direct underwriting	Assumed Reinsured	Total	Direct underwriting	Assumed Reinsured
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	\$	15,582,135	-	15,582,135	1,061,909	-	-	-	-	16,644,044	-	16,644,044
CSM recognized for the services provided		5,975,837	-	5,975,837	2,082,397	-	-	-	-	8,058,234	-	8,058,234
Change in the risk adjustment for non-financial risk for the risk expired		816,071	-	816,071	62,771	-	-	-	-	878,842	-	878,842
Insurance acquisition cash flows recovery		987,920	-	987,920	122,254	-	-	-	-	1,110,174	-	1,110,174
Insurance revenue from contracts not measured under the PAA		23,361,963	-	23,361,963	3,329,331	-	-	-	-	26,691,294	-	26,691,294
Insurance revenue from contracts measured under the PAA		-	-	-	-	1,339,909	-	1,339,909	1,339,909	1,339,909	-	1,339,909
Total insurance revenue	\$	23,361,963	-	23,361,963	3,329,331	1,339,909	-	1,339,909	1,339,909	28,031,203	-	28,031,203

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the three 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		
	Direct underwriting	Assumed Reinsured	Total		Direct underwriting	Assumed Reinsured	Total	Direct underwriting	Assumed Reinsured	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	\$ 15,400,769	-	15,400,769	971,631	-	-	-	16,372,400	-	16,372,400
CSM recognized for the services provided	5,031,625	-	5,031,625	949,523	-	-	-	5,981,148	-	5,981,148
Change in the risk adjustment for non-financial risk for the risk expired	976,564	-	976,564	79,579	-	-	-	1,056,143	-	1,056,143
Insurance acquisition cash flows recovery	<u>795,923</u>	<u>-</u>	<u>795,923</u>	<u>82,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>878,911</u>	<u>-</u>	<u>878,911</u>
Insurance revenue from contracts not measured under the PAA	<u>22,204,881</u>	<u>-</u>	<u>22,204,881</u>	<u>2,083,721</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,288,602</u>	<u>-</u>	<u>24,288,602</u>
Insurance revenue from contracts measured under the PAA	-	-	-	-	1,323,603	-	1,323,603	1,323,603	-	1,323,603
Total insurance revenue	<u>\$ 22,204,881</u>	<u>-</u>	<u>22,204,881</u>	<u>2,083,721</u>	<u>1,323,603</u>	<u>-</u>	<u>1,323,603</u>	<u>25,612,205</u>	<u>-</u>	<u>25,612,205</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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		
	Direct underwriting	Assumed Reinsured	Total		Direct underwriting	Assumed Reinsured	Total	Direct underwriting	Assumed Reinsured	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	\$ 30,538,950	-	30,538,950	2,090,201	-	-	-	32,629,151	-	32,629,151
CSM recognized for the services provided	11,742,638	-	11,742,638	3,780,355	-	-	-	15,522,993	-	15,522,993
Change in the risk adjustment for non-financial risk for the risk expired	1,563,713	-	1,563,713	125,428	-	-	-	1,689,141	-	1,689,141
Insurance acquisition cash flows recovery	<u>1,942,262</u>	<u>-</u>	<u>1,942,262</u>	<u>231,551</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,173,813</u>	<u>-</u>	<u>2,173,813</u>
Insurance revenue from contracts not measured under the PAA	<u>45,787,563</u>	<u>-</u>	<u>45,787,563</u>	<u>6,227,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,015,098</u>	<u>-</u>	<u>52,015,098</u>
Insurance revenue from contracts measured under the PAA	-	-	-	-	2,774,185	-	2,774,185	2,774,185	-	2,774,185
Total insurance revenue	\$ <u>45,787,563</u>	<u>-</u>	<u>45,787,563</u>	<u>6,227,535</u>	<u>2,774,185</u>	<u>-</u>	<u>2,774,185</u>	<u>54,789,283</u>	<u>-</u>	<u>54,789,283</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	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		
	Direct underwriting	Assumed Reinsured	Total		Direct underwriting	Assumed Reinsured	Total	Direct underwriting	Assumed Reinsured	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	\$ 29,814,250	-	29,814,250	1,924,644	-	-	-	31,738,894	-	31,738,894
CSM recognized for the services provided	10,268,478	-	10,268,478	1,891,598	-	-	-	12,160,076	-	12,160,076
Change in the risk adjustment for non-financial risk for the risk expired	1,853,004	-	1,853,004	152,100	-	-	-	2,005,104	-	2,005,104
Insurance acquisition cash flows recovery	1,601,841	-	1,601,841	172,057	-	-	-	1,773,898	-	1,773,898
Insurance revenue from contracts not measured under the PAA	43,537,573	-	43,537,573	4,140,399	-	-	-	47,677,972	-	47,677,972
Insurance revenue from contracts measured under the PAA	-	-	-	-	2,611,361	-	2,611,361	2,611,361	-	2,611,361
Total insurance revenue	\$ 43,537,573	-	43,537,573	4,140,399	2,611,361	-	2,611,361	50,289,333	-	50,289,333

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (b) An analysis of the expected recognition of the CSM remaining at the end of the reporting period in profit or loss

<u>June 30, 2026</u>	<u>Less than 1 year</u>	<u>1~3 year</u>	<u>3~5 year</u>	<u>More than 5 year</u>	<u>Total</u>
Insurance contracts issued	\$ <u>29,103,458</u>	<u>51,808,649</u>	<u>45,664,070</u>	<u>315,387,632</u>	<u>441,963,809</u>

<u>December 31, 2025</u>	<u>Less than 1 year</u>	<u>1~3 year</u>	<u>3~5 year</u>	<u>More than 5 year</u>	<u>Total</u>
Insurance contracts issued	\$ <u>27,172,777</u>	<u>48,268,973</u>	<u>42,506,258</u>	<u>297,475,050</u>	<u>415,423,058</u>

<u>June 30, 2025</u>	<u>Less than 1 year</u>	<u>1~3 year</u>	<u>3~5 year</u>	<u>More than 5 year</u>	<u>Total</u>
Insurance contracts issued	\$ <u>23,745,489</u>	<u>42,055,593</u>	<u>36,962,498</u>	<u>263,824,765</u>	<u>366,588,345</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AB) Insurance service expenses

	For the three months ended June 30, 2026									
	Contracts measured under the GMM			Contracts measured under the VFA (Direct underwriting)	Contracts measured under the PAA			Total insurance expense		
	Direct underwriting	Assumed Reinsuranced	Total		Direct underwriting	Assumed Reinsuranced	Total	Direct underwriting	Assumed Reinsuranced	Total
Incurring claims	\$ 11,869,560	-	11,869,560	1,141,254	1,167,831	-	1,167,831	14,178,645	-	14,178,645
Other directly attributable expenses	2,373,177	-	2,373,177	(189,964)	159,698	-	159,698	2,342,911	-	2,342,911
Changes that relate to past service - changes in the FCF relating to the LIC	(955,658)	-	(955,658)	(301,654)	(21,896)	-	(21,896)	(1,279,208)	-	(1,279,208)
Changes that relate to future service-Losses on onerous contracts and reversal of those losses	142,232	-	142,232	(67,750)	(16,896)	-	(16,896)	57,586	-	57,586
Insurance acquisition cash flows										
Amortization	971,424	-	971,424	122,254	-	-	-	1,093,678	-	1,093,678
Acquisition expense	-	-	-	-	123,333	-	123,333	123,333	-	123,333
Total insurance service expenses	\$ 14,400,735	-	14,400,735	704,140	1,412,070	-	1,412,070	16,516,945	-	16,516,945

	For the three 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		
	Direct underwriting	Assumed Reinsuranced	Total		Direct underwriting	Assumed Reinsuranced	Total	Direct underwriting	Assumed Reinsuranced	Total
Incurring claims	\$ 11,873,008	-	11,873,008	1,330,001	1,086,940	-	1,086,940	14,289,949	-	14,289,949
Other directly attributable expenses	2,354,014	-	2,354,014	(132,922)	231,760	-	231,760	2,452,852	-	2,452,852
Changes that relate to past service - changes in the FCF relating to the LIC	(662,921)	-	(662,921)	(122,856)	(49,330)	-	(49,330)	(835,107)	-	(835,107)
Changes that relate to future service-Losses on onerous contracts and reversal of those losses	36,333	-	36,333	(219,644)	(123,267)	-	(123,267)	(306,578)	-	(306,578)
Insurance acquisition cash flows										
Amortization	726,795	-	726,795	82,988	-	-	-	809,783	-	809,783
Acquisition expense	-	-	-	-	118,488	-	118,488	118,488	-	118,488
Total insurance service expenses	\$ 14,327,229	-	14,327,229	937,567	1,264,591	-	1,264,591	16,529,387	-	16,529,387

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

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 expense		
	Direct underwriting	Assumed Reinsured	Total		Direct underwriting	Assumed Reinsured	Total	Direct underwriting	Assumed Reinsured	Total
Incurring claims	\$ 18,965,881	-	18,965,881	1,989,231	1,654,046	-	1,654,046	22,609,158	-	22,609,158
Other directly attributable expenses	4,481,416	-	4,481,416	(366,267)	298,530	-	298,530	4,413,679	-	4,413,679
Changes that relate to past service - changes in the FCF relating to the LIC	4,549,793	-	4,549,793	(43,080)	541,048	-	541,048	5,047,761	-	5,047,761
Changes that relate to future service-Losses on onerous contracts and reversal of those losses	302,820	-	302,820	(33,218)	-	-	-	269,602	-	269,602
Insurance acquisition cash flows										
Amortization	1,935,603	-	1,935,603	231,551	-	-	-	2,167,154	-	2,167,154
Acquisition expense	-	-	-	-	237,931	-	237,931	237,931	-	237,931
Total insurance service expenses	<u>\$ 30,235,513</u>	<u>-</u>	<u>30,235,513</u>	<u>1,778,217</u>	<u>2,731,555</u>	<u>-</u>	<u>2,731,555</u>	<u>34,745,285</u>	<u>-</u>	<u>34,745,285</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		
	Direct underwriting	Assumed Reinsured	Total		Direct underwriting	Assumed Reinsured	Total	Direct underwriting	Assumed Reinsured	Total
Incurring claims	\$ 18,638,443	-	18,638,443	2,133,997	1,558,811	-	1,558,811	22,331,251	-	22,331,251
Other directly attributable expenses	4,297,465	-	4,297,465	(276,941)	427,596	-	427,596	4,448,120	-	4,448,120
Changes that relate to past service - changes in the FCF relating to the LIC	4,493,405	-	4,493,405	149,803	414,159	-	414,159	5,057,367	-	5,057,367
Changes that relate to future service-Losses on onerous contracts and reversal of those losses	442,306	-	442,306	407,504	-	-	-	849,810	-	849,810
Insurance acquisition cash flows										
Amortization	1,547,418	-	1,547,418	172,057	-	-	-	1,719,475	-	1,719,475
Acquisition expense	-	-	-	-	218,009	-	218,009	218,009	-	218,009
Total insurance service expenses	<u>\$ 29,419,037</u>	<u>-</u>	<u>29,419,037</u>	<u>2,586,420</u>	<u>2,618,575</u>	<u>-</u>	<u>2,618,575</u>	<u>34,624,032</u>	<u>-</u>	<u>34,624,032</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AC) Income or expenses from reinsurance contracts held

(a) Detailed Schedule of Income or Expenses from Reinsurance Contracts Held

	For the three months ended June 30, 2026	
	Contracts measured under the GMM	Contracts measured under the PAA
Amounts allocated to premium paid		
Contracts that are not measured under the premium allocation approach		
Changes in Liabilities for Remaining Coverage		
Expected incurred claims and Other directly attributable expenses recovery	\$ (279,663)	-
Change in the risk adjustment for non-financial risk for the risk expired	(2,919)	-
CSM recognized for the services received	(110,095)	-
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service	(8,123)	-
Contracts measured under the premium allocation approach	-	(64,645)
Subtotal	<u>(400,800)</u>	<u>(64,645)</u>
Amounts recovered from reinsurers		
Incurred claims recovery	248,977	87,927
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	(17,161)	(6,632)
Reversals of a loss-recovery component	(6,965)	(1,149)
Effect of changes in the risk of reinsurers' non- performance	6,550	(9)
Subtotal	<u>231,401</u>	<u>80,137</u>
Total net (expenses) income from reinsurance contracts held	\$ <u>(169,399)</u>	<u>15,492</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		For the three months ended June 30, 2025	
		Contracts measured under the GMM	Contracts measured under the PAA
Amounts allocated to premium paid			
Contracts that are not measured under the premium allocation approach			
Changes in Liabilities for Remaining Coverage			
Expected incurred claims and Other directly attributable expenses recovery	\$	(274,312)	-
Change in the risk adjustment for non-financial risk for the risk expired		(1,060)	-
CSM recognized for the services received		(75,677)	-
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service		(4,764)	-
Contracts measured under the premium allocation approach		-	(76,476)
Subtotal		<u>(355,813)</u>	<u>(76,476)</u>
Amounts recovered from reinsurers			
Incurred claims recovery		350,330	48,767
Changes that relate to past service - changes in the FCF relating to incurred claims recovery		18,799	(8,644)
Reversals of a loss-recovery component		(5,706)	(8,872)
Effect of changes in the risk of reinsurers' non- performance		1,126	-
Subtotal		<u>364,549</u>	<u>31,251</u>
Total net income (expenses) from reinsurance contracts held	\$	<u>8,736</u>	<u>(45,225)</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		For the six months ended June 30, 2026	
		Contracts measured under the GMM	Contracts measured under the PAA
Amounts allocated to premium paid			
Contracts that are not measured under the premium allocation approach			
Changes in Liabilities for Remaining Coverage			
Expected incurred claims and Other directly attributable expenses recovery	\$	(551,647)	-
Change in the risk adjustment for non-financial risk for the risk expired		(5,188)	-
CSM recognized for the services received		(217,121)	-
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service		(15,926)	-
Contracts measured under the premium allocation approach		-	(150,090)
Subtotal		<u>(789,882)</u>	<u>(150,090)</u>
Amounts recovered from reinsurers			
Incurred claims recovery		491,535	142,007
Changes that relate to past service - changes in the FCF relating to incurred claims recovery		30,616	(15,068)
Reversals of a loss-recovery component		(2,964)	-
Effect of changes in the risk of reinsurers' non- performance		13,932	(8)
Subtotal		<u>533,119</u>	<u>126,931</u>
Total net expenses from reinsurance contracts held	\$	<u>(256,763)</u>	<u>(23,159)</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		For the six months ended June 30, 2025	
		Contracts measured under the GMM	Contracts measured under the PAA
Amounts allocated to premium paid			
Contracts that are not measured under the premium allocation approach			
Changes in Liabilities for Remaining Coverage			
Expected incurred claims and Other directly attributable expenses recovery	\$	(541,097)	-
Change in the risk adjustment for non-financial risk for the risk expired		(1,761)	-
CSM recognized for the services received		(134,599)	-
Experience adjustments - arising from ceded premiums paid in the period other than those that relate to future service		(7,890)	-
Contracts measured under the premium allocation approach		-	(153,413)
Subtotal		<u>(685,347)</u>	<u>(153,413)</u>
Amounts recovered from reinsurers			
Incurred claims recovery		560,864	92,722
Changes that relate to past service - changes in the FCF relating to incurred claims recovery		57,869	(17,129)
Reversals of a loss-recovery component		7,240	-
Effect of changes in the risk of reinsurers' non-performance		17,029	1
Subtotal		<u>643,002</u>	<u>75,594</u>
Total net expenses from reinsurance contracts held	\$	<u>(42,345)</u>	<u>(77,819)</u>

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

June 30, 2026	less than 1 year	1~3 year	3~5 year	more than 5 year	Total
Reinsurance contracts held \$	<u>402,294</u>	<u>730,965</u>	<u>667,808</u>	<u>5,030,447</u>	<u>6,831,514</u>

December 31, 2025	less than 1 year	1~3 year	3~5 year	more than 5 year	Total
Reinsurance contracts held \$	<u>403,765</u>	<u>717,087</u>	<u>651,725</u>	<u>4,925,242</u>	<u>6,697,819</u>

June 30, 2025	less than 1 year	1~3 year	3~5 year	more than 5 year	Total
Reinsurance contracts held \$	<u>261,457</u>	<u>452,395</u>	<u>401,391</u>	<u>2,740,554</u>	<u>3,855,797</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AD) Insurance finance income or expense

The table below presents an analysis of the components of insurance finance income and 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 income	\$ 38,635,164	27,674,090	76,649,342	59,469,125
Gains (losses) on financial assets or liabilities at fair value through profit or loss	63,987,764	128,957,906	65,418,268	63,906,886
Gains (losses) from FVOCI financial assets	4,010,581	167,870	6,468,658	155,519
Net gains (losses) arising from derecognition of financial assets measured at AC	(320,624)	(123,717)	(441,938)	(326,998)
Share of gains (losses) of associates and joint ventures accounted for using equity method	977,166	368,477	473,129	(22,435)
Foreign exchange gains (losses)	(409,744)	(220,876,438)	10,770,228	(194,336,733)
Net change in reserve for foreign exchange valuation	(6,288,262)	(17,406,193)	(11,552,634)	(22,094,209)
Gains (losses) on investment property	1,075,749	2,701,884	1,534,869	3,199,722
Expected credit losses or reversal of expected credit losses of investments	(854,668)	420,493	(1,511,777)	136,237
Net income (losses) on assets on insurance products in separated accounts	28,230,914	(979,774)	33,825,112	(1,957,652)
Other net income (losses) from investment	(1,427,550)	(1,039,868)	(2,589,059)	(2,270,248)
Total net investment income (losses) recognized in profit or loss	127,616,490	(80,135,270)	179,044,198	(94,140,786)
Net investment income (losses) recognized in OCI	200,285,066	5,093,712	215,105,995	6,646,760
Total investment income (losses)	\$ 327,901,556	(75,041,558)	394,150,193	(87,494,026)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	<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>
Insurance finance income or expenses				
Changes in value of underlying assets of contracts measured under the VFA	\$ (60,980,977)	(3,540,015)	(70,177,625)	(547,914)
Interest accreted	(25,076,557)	(26,671,831)	(52,017,348)	(51,398,338)
Effect of changes in interest rates and other financial assumptions	37,973,276	(63,214,703)	125,404,629	(50,686,516)
	<u>\$ (48,084,258)</u>	<u>(93,426,549)</u>	<u>3,209,656</u>	<u>(102,632,768)</u>
Insurance finance income or expenses recognized in profit or loss	(86,407,315)	(27,581,170)	(127,200,772)	(50,618,930)
Insurance finance income or expenses recognized in OCI	38,323,057	(65,845,379)	130,410,428	(52,013,838)
	<u>\$ (48,084,258)</u>	<u>(93,426,549)</u>	<u>3,209,656</u>	<u>(102,632,768)</u>
Finance income (expenses) from reinsurance contracts held				
Interest accreted	\$ 114,826	109,782	229,291	219,174
Effect of changes in interest rates and other financial assumptions	(376,313)	670,594	(906,667)	699,435
	<u>\$ (261,487)</u>	<u>780,376</u>	<u>(677,376)</u>	<u>918,609</u>
Finance income from reinsurance contracts held recognized in profit or loss	\$ 114,808	109,896	229,300	219,317
Finance income from reinsurance contracts held recognized in OCI	(376,295)	670,480	(906,676)	699,292
	<u>\$ (261,487)</u>	<u>780,376</u>	<u>(677,376)</u>	<u>918,609</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AE) Non-operating income and expenses

	<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>
Gains (losses) on disposal of assets	\$ 7,479	(36)	7,353	(862)
Other non-operating income and expenses	303,460	265,070	574,374	525,036
	<u>\$ 310,939</u>	<u>265,034</u>	<u>581,727</u>	<u>524,174</u>

(AF) Risk management

(a) Risk management system

(1) The organization structure of risk management

The Company sets Risk Management Committee which is under the jurisdiction of the Board of Directors and is convened by independent directors. It is to supervise the overall risk control of the Company and report to the Board of Directors regularly. In order to effectively examine the Company's risk management operation, two special committees were established.

- 1) Assets and Liabilities Management Committee: The chairman of the Company or appointed personnel serves as the chairman of the committee. The committee is to consider the balance between assets and liabilities, set up the strategic target of assets and liabilities and supervise the execution progress.
- 2) Operational Risk Management Committee: It is convened by the president to supervise and manage the operational risk of the Company in order to assure the management adopts appropriate risk management procedures within its authority.

Furthermore, in order to assist all business units to carry out the risk control and to facilitate the coordination of other risk control affairs, the Company's Board of Directors designates a chief risk officer to be in charge of a risk management department which is independent of all business units. The risk management department executes or assists to execute risk control duty following the regulation of risk management policy, organization rules governing the risk management committee and organization rules governing the risk related committee. The Company has established diverse risk management policies, risk limits and stoploss prevention and assessment policy, hierarchical authorization, and risk assessment criteria in order to facilitate effective risk management.

The risk management mechanism of the subsidiaries is conducted per the relevant regulations of local authority and the risk management rules of the Company. It is to control certain risks such as market, credit and liquidity risk and measure and evaluate the overall investment position regularly. The subsidiaries prepares management and evaluation internal monitoring reports for various risks.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Risk management policies

The Company pronounced Risk Management Policy under the consent of the Board of Directors. The policy regulates the strategy and target as well as the mechanism of risk management. The risk management strategy is based on the regulation of overall operation target, management strategy and risk management. It is to establish appropriate risk management system and management procedure so as to identify, evaluate, measure, supervise, respond and report potential risk. Through the announcement of the risk management policies, the Company established clear management targets, controlling methods and the responsibilities for respective departments to ensure the operating capital is adequate and to create profit for shareholders.

The subsidiaries also set up risk management policies or rules as the basis of risk management.

(3) Risk management process

The process of the Company's risk management includes: Risk identification, risk measurement, risk monitoring and risk report.

- 1) Risk identification: Risk factors refer to the internal and external factors which may subject the Company to certain risks during the operating process; risk identification is to confirm various risk factors and the sources of the risks from investing activities.
- 2) Risk measurement: To set up quantitative and qualitative risk management methods, indices and models and generate relevant risk management reports to effectively identify, measure and monitor risk exposure and to adopt effective procedures to diminish, transfer and control the risks under an acceptable extent.
- 3) Risk monitoring: Through risk management methods, mechanism and reports to continuously monitor various risk exposure in order to control and respond in time.
- 4) Risk report: Except for the regular report during the monitoring process, the risk management staff shall report immediately when abnormal or other special situation occurs and take appropriate actions (including the diminishing, control, transfer and tolerating of risk) to minimize the possible impact to the Company.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

In accordance with the internal risk management policies, the Company controls risks such as market risk, credit risk, liquidity risk, operation risk, insurance risk, assets and liabilities coordination risk. In addition to the arrangement regulated by the authorities, the Company also established measurement and evaluation management mechanism to regularly prepare management and evaluation monitoring report for various risks.

The subsidiaries set up appropriate management process and risk monitoring in accordance with their characteristics, development stage and regulations.

(4) Risk hedging and diminishing strategy

The Company takes capital scale and risk tolerance into consideration and review capital adequacy ratio regularly to ensure the capital is adequate. Furthermore, by combining several business aspects such as the understanding of the market status, the Company's operating strategy, product characteristics and risk control, the Company also analyzes the risk structure and risk level of the overall position and constrains the Company's risk within the preapproved extent or adjusts the Company's risk to a tolerable extent. The execution of risk hedging and diminishing strategy is adjusted based on the risk tolerance of the Company.

The subsidiaries managed risk tolerance in accordance with their characteristics, development stage and local regulations.

(5) Assets and liabilities matching risk

- 1) To enhance the overall assets and liabilities allocation, maintain adequate liquidity, and improve the capital utilization efficiency with the goal of the maximizing the overall risk-adjusted return, the Company not only complies with the relevant government regulations but also establishes the Assets and Liabilities Management Committee (ALCO) to keep track of the issues related to asset and liability cash flows and to formulate relevant assets and liabilities management guidelines which enable the Company to sustain adequate capital to cover the potential risk from business operation.
- 2) Under the Article of Organization Rules for the Assets and Liabilities Management Committee, the meeting must be held at least once per quarter. Also, the Risk-Based Capital ratio is reviewed and sensitivity analysis is conducted by simulating key risk factors as the reference for capital adequacy decision-making. Furthermore, the change in the components of required capital and available capital from period to period is analyzed to identify the reason for such changes. Moreover, liquidity risk is managed by periodically calculating accumulated net cash flows in one year and in 5 years and adding the cash level in the beginning of the period as the indicators for risk management.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The subsidiaries comply with relevant local laws and regulations, the Company's capital adequacy risk management guideline and risk management regulations, to manage assets and liabilities matching risk, and to maintain appropriate solvency and sound operations.

(b) Major risk

Insurance risk

(1) Underwriting risk management

Underwriting risk refers to the unexpected risk arising from soliciting new insurance policies, and relevant expenditures. In order to manage underwriting risk, the Company has classified underwriting risk into the following types:

- 1) Risk of policyholder concealment
- 2) Risk of insurance content
- 3) Occupational and financial risk
- 4) Risk of health conditions
- 5) Risk of the lack of experience of the underwriter
- 6) Risk of retention
- 7) Risk of business quality

Aside from establishing “Underwriting Systems and Procedures” based on the “Regulations Governing New Insurance Solicitation Policy, Underwriting and Claim Settlement of Insurance Enterprises”, a code of conduct for underwriting operation is also established to serve as a guide for underwriting risk control. Considering the experience and professional skills of the underwriters, different levels of authorization are established and the underwriting amount for each underwriter personnel is regulated to control the propriety of underwriting assessment and to monitor the accuracy and timeliness of underwriting operation.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Claim risk management

Claim risk refers to the risk arising from adopting inappropriate or negligent procedures on claims settlement procedure. In order to manage claim risks, the Group abides by the “Regulations Governing new insurance policy Soliciting, Underwriting and Claim Settlement of Insurance Enterprises” and established a “Claim Settlement System and Procedures” and a standard operating procedure to decrease the risk of negligence when processing claims, in order to protect the financial consumers’ rights. The Company also monitors the accuracy, timeliness, by implementing levels of authority and by enhancing professional training for claims personnel.

(3) Product design and pricing risk management

Product design and pricing risk refers to the risk arising from the impropriety, inconsistency or unexpected change of the data related to the product content, clauses and rates. To insure risk control at the point of the pre and after sales of insurance products, internal code of conduct and control procedure were established based on “Regulation governing the procedure before the sales of insurance product” issued by authorities for the insurance product design, inspection, sales preparation to control the risk related to each phases and procedure of product development. In terms of product design, feasibility of new product is analyzed and an internal meeting is held before a new product is launched. A premarket meeting is also convened before product launch to ensure that the related activities are completed. In terms of product pricing, aside from certain quantitative risk control mechanism such as risk control procedure, profit test and sensitivity analysis, an assets allocation plan is also set up. The plan takes the characteristics of the requirement of asset and liabilities management into account and conforms to sales review meeting regularly after sales.

(4) Reserverisk management

Reserve-related risk refers to the risk arising from underestimating the liabilities from insufficient written premium provision to cover future obligation. In order to control the reserverisk, the reserverisk is categorized into the statutory compliance of reserve provision and completeness of operating procedures. To ensure the legality of reserves provision, the Regulatory Self-Inspection Compliance manual has been established and audit procedures are executed regularly to ensure that all sorts of reserves conform to what is required by law. Also, “Standard Operating Procedures” manual is established. The provisions of this manual maybe updated regularly as the law changes. The operating procedures manual covers ranges from system administration, data access and report generation. Furthermore, several control points are established within the framework to ensure the accuracy of the calculation.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(5) Catastrophic risk and reinsurance risk

For the purpose of mitigating risk concentration and potential catastrophic losses, risk management mechanisms for catastrophe and reinsurance risks are established as follows:

1) Catastrophic risk

The Company establishes and annually reviews retention levels and reinsurance limits based on historical experience. The Company also conducts scenario analyses for earthquakes, typhoons and floods, aviation accidents, terrorist attacks, and pandemics, taking into account crossline accumulation effects of catastrophic risks.

2) Reinsurance risk

In accordance with the Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms, and in line with the Company's annual reinsurance policy, the Company formulates its Reinsurance Risk Management Plan, which covers retention, ceded and assumed reinsurance, and intergroup reinsurance risk management.

The Company conducts monthly monitoring of reinsurers' credit ratings. In accordance with Articles 7 and 8 of the Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms, reinsurers engaged in ceded reinsurance are required to maintain credit ratings of at least Standard & Poor's BBB or an equivalent rating recognized by the competent authority. Currently, the minimum rating applied to newly engaged reinsurers is Standard & Poor's A- or above.

(6) Insurance Risk Concentration

Insurance contracts sold by the Group (Company) include life insurance, annuities, accident insurance, and health insurance. As majority of these insurance contracts are issued in Taiwan, insurance risk by geographical area is primarily concentrated in Taiwan.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(7) Claim development trend

1) Development trend of claims payment incurred

Cumulative claims payment and adjustment to the balance sheet are as follows:

June 30, 2026 (The Company)								
Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2020	30,094,625	36,857,498	37,487,744	37,645,762	37,743,923	37,805,828	37,855,608	11,824
2021	33,443,272	41,083,258	41,874,741	42,075,218	42,217,379	42,278,744	-	72,281
2022	35,299,960	44,172,300	45,129,578	45,362,750	45,478,243	-	-	148,309
2023	42,033,466	51,693,024	52,592,084	52,804,311	-	-	-	342,903
2024	46,242,610	56,132,441	57,081,181	-	-	-	-	697,915
2025	49,731,631	60,347,368	-	-	-	-	-	1,924,369
2026	52,503,957	-	-	-	-	-	-	14,350,543
Total								17,548,144
Effect of discounting								(277,053)
Effect of the risk adjustment margin for non-financial risk								416,829
Other LIC for the contracts originated								4,533,475
The balance of liability for incurred claim								22,221,395

June 30, 2026 (Subsidiary — Fubon Hyundai Life Insurance)							
Occurrence Year	Development year					Claim Reserve	
	1	2	3	4	5		
2022	1,224,257	1,572,017	1,615,739	1,633,921	1,642,152	14,638	
2023	1,220,405	1,545,107	1,588,846	1,609,394	-	428,054	
2024	1,269,423	1,580,914	1,619,939	-	-	87,287	
2025	1,229,847	1,600,720	-	-	-	44,366	
2026	1,273,476	-	-	-	-	22,307	
Total						596,652	
Effect of discounting						(19,599)	
Effect of the risk adjustment margin for non-financial risk						27,325	
Other LIC for the contracts originated						2,261,905	
The balance of liability for incurred claim						2,866,283	

December 31, 2025 (The Company)								
Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2019	30,889,730	37,137,459	37,710,720	37,894,280	37,975,913	38,037,785	38,101,288	5,264
2020	31,823,662	38,777,659	39,551,856	39,746,014	39,854,827	39,933,934	-	69,400
2021	33,779,507	41,663,424	42,432,871	42,641,418	42,746,677	-	-	149,462
2022	38,856,875	48,709,989	49,694,415	49,880,652	-	-	-	317,772
2023	43,032,568	52,734,798	53,674,069	-	-	-	-	663,859
2024	48,804,473	58,923,550	-	-	-	-	-	1,888,954
2025	52,146,680	-	-	-	-	-	-	14,453,393
Total								17,548,104
Effect of discounting								(223,853)
Effect of the risk adjustment margin for non-financial risk								410,858
Other LIC for the contracts originated								4,226,888
The balance of liability for incurred claim								21,961,997

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

December 31, 2025 (Subsidiary — Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2021	1,309,846	1,625,192	1,675,361	1,700,108	1,726,066	-
2022	1,316,651	1,673,956	1,718,613	1,760,413	-	461,490
2023	1,313,868	1,656,179	1,702,371	-	-	106,625
2024	1,300,699	1,682,932	-	-	-	58,230
2025	1,373,434	-	-	-	-	27,605
Total						653,950
Effect of discounting						(19,216)
Effect of the risk adjustment margin for non-financial risk						35,359
Other LIC for the contracts originated						2,341,560
The balance of liability for incurred claim						3,011,653

June 30, 2025 (The Company)

Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2019	28,584,626	35,064,095	35,841,985	35,979,685	36,069,462	36,111,679	36,148,941	3,495
2020	30,094,625	36,857,498	37,487,744	37,645,762	37,743,923	37,806,328	-	54,841
2021	33,443,272	41,083,258	41,874,741	42,075,218	42,217,379	-	-	170,912
2022	35,299,960	44,172,300	45,129,578	45,362,750	-	-	-	278,215
2023	42,033,466	51,693,024	52,592,084	-	-	-	-	613,314
2024	46,242,610	56,132,441	-	-	-	-	-	1,853,876
2025	49,731,631	-	-	-	-	-	-	13,950,346
Total								16,924,999
Effect of discounting								(228,489)
Effect of the risk adjustment margin for non-financial risk								273,946
Other LIC for the contracts originated								3,304,284
The balance of liability for incurred claim								20,274,740

June 30, 2025 (Subsidiary — Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2021	1,268,468	1,596,163	1,649,410	1,673,048	1,689,280	-
2022	1,317,229	1,691,443	1,738,484	1,760,139	-	457,408
2023	1,313,103	1,662,463	1,732,335	-	-	106,945
2024	1,365,825	1,706,700	-	-	-	49,045
2025	1,334,765	-	-	-	-	24,755
Total						638,153
Effect of discounting						(16,370)
Effect of the risk adjustment margin for non-financial risk						31,069
Other LIC for the contracts originated						2,330,627
The balance of liability for incurred claim						2,983,479

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2) Development trend of retention claims payments

Cumulative claims payments from prior years are as follows:

June 30, 2026 (The Company)								
Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2020	29,167,738	35,706,740	36,330,702	36,488,168	36,586,123	36,647,489	36,696,809	11,824
2021	32,575,217	40,009,005	40,796,293	40,985,794	41,126,054	41,187,313	-	72,175
2022	34,536,653	43,287,269	44,225,275	44,452,029	44,567,096	-	-	147,741
2023	41,460,375	50,827,354	51,702,978	51,906,100	-	-	-	342,315
2024	45,201,572	54,699,946	55,621,735	-	-	-	-	686,915
2025	48,744,679	58,890,728	-	-	-	-	-	1,894,945
2026	51,500,786	-	-	-	-	-	-	13,981,564
Total								17,137,479
Effect of discounting								(287,129)
Effect of the risk adjustment margin for non-financial risk								406,477
Other LIC for the contracts originated								2,879,358
The balance of liability for incurred claim								20,136,185

June 30, 2026 (Subsidiary — Fubon Hyundai Life Insurance)							
Occurrence Year	Development year					Claim Reserve	
	1	2	3	4	5		
2022	1,019,227	1,308,747	1,345,146	1,360,283	1,367,136	12,186	
2023	1,016,020	1,286,343	1,322,757	1,339,864	-	356,367	
2024	1,056,829	1,316,153	1,348,643	-	-	72,669	
2025	1,023,881	1,332,643	-	-	-	36,936	
2026	1,060,203	-	-	-	-	18,571	
Total						496,729	
Effect of discounting						(19,599)	
Effect of the risk adjustment margin for non-financial risk						22,771	
Other LIC for the contracts originated						2,181,939	
The balance of liability for incurred claim						2,681,840	

December 31, 2025 (The Company)								
Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2019	29,900,232	35,871,934	36,439,722	36,622,308	36,703,512	36,764,915	36,828,329	5,264
2020	30,986,486	37,739,958	38,500,369	38,693,761	38,802,122	38,880,777	-	69,230
2021	33,018,736	40,689,649	41,443,586	41,649,256	41,754,334	-	-	149,314
2022	38,155,564	47,869,106	48,842,601	49,022,856	-	-	-	317,424
2023	42,211,888	51,585,554	52,497,020	-	-	-	-	660,899
2024	47,734,783	57,398,767	-	-	-	-	-	1,863,521
2025	51,145,942	-	-	-	-	-	-	14,113,684
Total								17,179,336
Effect of discounting								(227,825)
Effect of the risk adjustment margin for non-financial risk								401,469
Other LIC for the contracts originated								2,749,452
The balance of liability for incurred claim								20,102,432

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

December 31, 2025 (Subsidiary — Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2021	1,128,322	1,399,967	1,443,183	1,464,500	1,486,861	-
2022	1,134,184	1,441,973	1,480,441	1,516,448	-	397,535
2023	1,131,787	1,426,660	1,466,450	-	-	91,849
2024	1,120,443	1,449,705	-	-	-	50,161
2025	1,183,098	-	-	-	-	23,780
Total						563,325
Effect of discounting						(19,216)
Effect of the risk adjustment margin for non-financial risk						30,315
Other LIC for the contracts originated						2,180,383
The balance of liability for incurred claim						2,754,807

June 30, 2025 (The Company)

Occurrence Year	Development year							Claim Reserve
	1	2	3	4	5	6	7	
2019	27,763,852	34,055,535	34,822,683	34,953,718	35,043,355	35,085,121	35,122,358	3,495
2020	29,168,573	35,707,982	36,331,945	36,489,411	36,587,365	36,649,232	-	54,507
2021	32,575,613	40,009,403	40,796,692	40,986,193	41,125,680	-	-	170,026
2022	34,539,346	43,290,091	44,228,097	44,444,500	-	-	-	277,750
2023	41,462,327	50,833,651	51,703,960	-	-	-	-	608,193
2024	45,202,049	54,698,976	-	-	-	-	-	1,827,443
2025	48,688,867	-	-	-	-	-	-	13,634,540
Total								16,575,954
Effect of discounting								(278,217)
Effect of the risk adjustment margin for non-financial risk								262,980
Other LIC for the contracts originated								2,226,411
The balance of liability for incurred claim								18,787,128

June 30, 2025 (Subsidiary — Fubon Hyundai Life Insurance)

Occurrence Year	Development year					Claim Reserve
	1	2	3	4	5	
2021	1,190,676	1,498,275	1,548,256	1,570,444	1,585,680	-
2022	1,236,447	1,587,711	1,631,868	1,652,194	-	429,356
2023	1,232,573	1,560,508	1,626,095	-	-	100,387
2024	1,282,062	1,602,033	-	-	-	46,037
2025	1,252,907	-	-	-	-	23,236
Total						599,016
Effect of discounting						(16,370)
Effect of the risk adjustment margin for non-financial risk						29,116
Other LIC for the contracts originated						2,264,655
The balance of liability for incurred claim						2,876,417

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The consolidated entity recognizes incurred claims liabilities for the estimated future claim payments related to both reported and unreported claims, together with the associated claims handling expenses. The establishment of such liabilities involves significant uncertainty, estimation, and judgement, and is therefore highly complex. Any changes in estimates or judgements are accounted for as changes in accounting estimates. The effects arising from changes relating to insurance service expenses or from changes attributable to past service are recognized in profit or loss in the period in which the change occurs. Certain claims may be reported to the consolidated entity with a delay. In addition, the estimation of expected payments for incurred but not reported claims requires extensive use of historical claims experience and significant management judgement. Accordingly, there is no assurance that the incurred claims liabilities recognized as at the reporting date will equal the ultimate amounts paid upon settlement of the claims. The incurred claims liabilities recognized in the statement of financial position represent management's best estimates based on information currently available. Nevertheless, the ultimate outcome may differ from the original estimates as a result of subsequent developments in the claims experience.

The table above presents the claims development pattern. Accident years refer to the years in which insured events occurred, while the horizontal axis represents the development years of the claims. Each diagonal line reflects the cumulative incurred claims amounts for each accident year as at the end of each reporting year. Incurred claims include both settled and outstanding claims, illustrating how the consolidated entity's estimates of ultimate claims for each accident year evolve over time. The circumstances and trends affecting the incurred claims liabilities of the consolidated entity may not be indicative of future developments. Accordingly, the expected future claim payments cannot be determined solely on the basis of the claims development pattern presented above.

Market risk

Market risk refers to the risk that the value of assets decreases due to disadvantageous movement of the market price and this may result in a loss to the Group. The risk factors of the market price fluctuation include interest rates, foreign exchange rates, stock prices, and commodity prices.

Guided by Assets and Liabilities Management Committee or related functional units, the Group takes financial environment, all the economic indicators, liability risk properties and assetliability management into account, to choose appropriate investment target through risk control mechanism. Under the consent of regulatory framework and market environment, choosing and acquisition of longterm assets is monitored by the Assets and Liabilities Management Committee or related functional units. This is to allow assets and liabilities to coordinate better in terms of payment terms and profits, to pursue long term business and protect the rights of policyholders. This will also reduce the influence on insurance contract caused by market risk and eventually lower the potential loss to the Group.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group widely applies various risk management instruments to measure market risk. The primary methods adopted would be Value at Risk (VaR) and Sensitivity Analysis. By using these instruments, the Group is able to measure, monitor and manage market risk completely and effectively.

(1) Value at Risk

Value at Risk is to apply statistical techniques to measure the maximum potential loss of the investment portfolio resulted from market risk factor variation in a given period of time and under certain confidence interval. The 99% of the confidence interval is applied by the Group to predict the VaR in the next 1 day or 10 days.

The VaR model applied to manage risk shall be examined retrospectively and continuously to ensure that it can reflect the ability of measuring the maximum potential risk of the portfolios reasonably, completely and accurately.

(2) Sensitivity analysis

Besides using VaR to manage market risk, the Group adopts sensitivity analysis to serve as a basis for corporate risk analysis, risk alert and operation management. Sensitivity analysis measures the change in the value of portfolios and groups of insurance contracts resulting from the variation of a single risk factor. This will facilitate the Group to understand how each variation of risk factors may influence the portfolios and groups of insurance contracts in certain extreme scenarios.

(c) Credit risk analysis

Credit risk refers to the risk resulted from the deterioration of the credit status of the investment, the descending of credit rating, the credit risk event which can be attributed to the default of contracts, and the default of the issuers or counterparties for fulfilling their obligation. The Group may suffer losses from these incidents.

(1) Analysis of credit risk concentration

The following are credit risk exposure of the Group's debt instruments and derivative instruments as well as loans distributed by industry and geographic area.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Credit risk exposure by industry

Financial assets	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Industrial enterprise	\$ 211,906,467	5.32	209,289,442	6.02	176,460,989	5.62
Public business	162,869,304	4.09	154,848,543	4.45	137,568,288	4.38
Diversification	7,620,121	0.19	7,524,358	0.22	7,156,482	0.23
Mortgage backed securities	27,127,604	0.68	32,988,066	0.95	32,972,711	1.05
Financial sector	1,420,993,128	35.67	1,333,081,636	38.31	1,243,764,925	39.59
Consumer staples	318,814,925	8.01	311,471,963	8.95	284,944,740	9.07
Government	539,922,565	13.56	483,189,368	13.89	445,587,642	14.18
Technology	152,772,814	3.84	131,429,092	3.78	88,244,898	2.81
Raw material	107,019,476	2.69	108,751,471	3.13	101,217,879	3.22
Consumer discretionary	60,843,485	1.53	63,111,268	1.81	56,766,367	1.80
Energy	225,353,570	5.66	233,955,507	6.72	206,496,308	6.57
Assets backed securities	3,374,215	0.08	4,274,942	0.12	10,344,913	0.34
Telecommunication	260,715,696	6.55	247,446,637	7.11	225,868,585	7.19
Others	482,970,979	12.13	157,892,541	4.54	124,055,107	3.95
Subtotal	<u>3,982,304,349</u>	<u>100.00</u>	<u>3,479,254,834</u>	<u>100.00</u>	<u>3,141,449,834</u>	<u>100.00</u>
Fair value adjustment through business combination	(377,088)		(411,186)		(429,845)	
Total	<u>\$ 3,981,927,261</u>	<u>100.00</u>	<u>3,478,843,648</u>	<u>100.00</u>	<u>3,141,019,989</u>	<u>100.00</u>

Credit risk exposure by geographic area

Financial assets	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	%	Amount	%	Amount	%
Taiwan	\$ 565,763,995	14.21	547,285,266	15.73	398,515,104	12.69
Asia except Taiwan	394,500,786	9.91	406,726,845	11.69	393,345,999	12.52
North America	2,135,597,516	53.62	1,624,877,407	46.71	1,500,762,517	47.77
Middle and South America	109,184,155	2.74	111,436,212	3.20	105,800,397	3.37
Europe	547,080,705	13.74	558,809,681	16.06	525,293,933	16.72
Africa/Middle East	230,177,192	5.78	230,119,423	6.61	217,731,884	6.93
Subtotal	<u>3,982,304,349</u>	<u>100.00</u>	<u>3,479,254,834</u>	<u>100.00</u>	<u>3,141,449,834</u>	<u>100.00</u>
Fair value adjustment through business combination	(377,088)		(411,186)		(429,845)	
Total	<u>\$ 3,981,927,261</u>	<u>100.00</u>	<u>3,478,843,648</u>	<u>100.00</u>	<u>3,141,019,989</u>	<u>100.00</u>

Note: The Group operates credit business in the energy industry in Taiwan in 2026 and 2025. As of June 30, 2026, December 31 and June 30, 2025, loan commitment credit exposures of the off-balance sheet amount were \$0 thousand, \$1,534,395 thousand and \$3,963,346 thousand, respectively, which were not included in the above-mentioned industry and geographic area table.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Categories for credit risk quality

The Group internally categories the credit risk into three levels, which are low risk, medium risk and high risk. The definition of each level is as follows:

- 1) 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 financially capable of dealing with the situations.
- 2) 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 the Group.
- 3) 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.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Group's credit analysis for debt instruments, loans, other financial assets and related accounts receivable are as follows:

	June 30, 2026												
	stage1				stage2				stage3				
	Low risk	Medium risk	High risk	Total	Low risk	Medium risk	High risk	Total	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total	Loss allowance	Total
Accounts receivable — interests receivable (including overdue receivable)	\$ 32,753,157	855,885	397	33,609,439	260	25,400	-	25,660	4,429,462	-	4,429,462	4,490,034	33,574,527
Financial assets measured at fair value through other comprehensive income — debt instruments (Note 2)	1,338,470,674	15,557,749	-	1,354,028,423	-	-	-	-	114,292	-	114,292	(Note1)	1,354,142,715
Financial assets measured at amortized costs (Note 2)	2,258,607,640	23,861,065	-	2,282,468,705	-	1,531,775	-	1,531,775	24,988,651	-	24,988,651	3,633,716	2,305,355,415
Other financial assets	5,804,980	1,065,765	-	6,870,745	-	-	-	-	-	-	-	2,903	6,867,842
Loans (Note 2, 3)	150,203,793	61,462,607	322,395	211,988,795	1,548,235	1,318,096	-	2,866,331	1,813,518	-	1,813,518	3,101,895	213,566,749
Total	<u>\$ 3,785,840,244</u>	<u>102,803,071</u>	<u>322,792</u>	<u>3,888,966,107</u>	<u>1,548,495</u>	<u>2,875,271</u>	<u>-</u>	<u>4,423,766</u>	<u>31,345,923</u>	<u>-</u>	<u>31,345,923</u>	<u>11,228,548</u>	<u>3,913,507,248</u>

	December 31, 2025												
	stage1				stage2				stage3				
	Low risk	Medium risk	High risk	Total	Low risk	Medium risk	High risk	Total	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total	Loss allowance	Total
Accounts receivable — interests receivable (including overdue receivable)	\$ 29,028,674	868,172	433	29,897,279	166	238	-	404	3,892,878	-	3,892,878	3,924,592	29,865,969
Financial assets measured at fair value through other comprehensive income - debt instruments (Note 2)	408,310,675	5,001,526	-	413,312,201	-	-	-	-	4,977,408	-	4,977,408	(Note 1)	418,289,609
Financial assets measured at amortized costs (Note 2)	2,709,785,819	37,152,618	-	2,746,938,437	-	-	-	-	15,253,444	-	15,253,444	2,730,627	2,759,461,254
Other financial assets	5,604,804	1,174,580	-	6,779,384	-	-	-	-	-	-	-	3,248	6,776,136
Loans (Note 2, 3)	123,933,547	53,770,887	348,173	178,052,607	1,557,823	3,213,040	-	4,770,863	564,845	-	564,845	2,545,526	180,842,789
Total	<u>\$ 3,276,663,519</u>	<u>97,967,783</u>	<u>348,606</u>	<u>3,374,979,908</u>	<u>1,557,989</u>	<u>3,213,278</u>	<u>-</u>	<u>4,771,267</u>	<u>24,688,575</u>	<u>-</u>	<u>24,688,575</u>	<u>9,203,993</u>	<u>3,395,235,757</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

June 30, 2025													
	stage1				stage2				stage3				
	Low risk	Medium risk	High risk	Total	Low risk	Medium risk	High risk	Total	Credit-impaired financial assets	Purchased or originated credit-impaired financial assets	Total	Loss allowance	Total
Accounts receivable — interests receivable (including overdue receivable)	\$ 25,971,440	826,590	366	26,798,396	344	209	-	553	3,245,112	-	3,245,112	3,274,727	26,769,334
Financial assets measured at fair value through other comprehensive income — debt instruments (Note 2)	258,072,819	4,589,392	-	262,662,211	-	-	-	-	2,265,820	-	2,265,820	(Note1)	264,928,031
Financial assets measured at amortized costs (Note 2)	2,533,449,128	36,343,258	-	2,569,792,386	-	-	-	-	14,543,790	-	14,543,790	2,610,766	2,581,725,410
Other financial assets	4,000,385	1,044,086	-	5,044,471	-	-	-	-	-	-	-	3,405	5,041,066
Loans (Note 2, 3)	103,070,568	42,047,728	287,164	145,405,460	1,198,404	2,818,732	-	4,017,136	601,153	-	601,153	2,042,278	147,981,471
Total	<u>\$ 2,924,564,340</u>	<u>84,851,054</u>	<u>287,530</u>	<u>3,009,702,924</u>	<u>1,198,748</u>	<u>2,818,941</u>	<u>-</u>	<u>4,017,689</u>	<u>20,655,875</u>	<u>-</u>	<u>20,655,875</u>	<u>7,931,176</u>	<u>3,026,445,312</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 1: Please refer to Note 6(AF)(b)3)I. for further information of the loss allowance of debt instruments measured at FVOCI.

Note 2: Fair value adjustments from business combinations of financial assets measured at fair value through other comprehensive income, financial assets measured at amortized cost and loans for June 30, 2026, December 31 and June 30, 2025 were \$(79,606) thousand and \$(273,681) thousand, \$(23,801) thousand and \$(88,590) thousand, \$(295,274) thousand, and \$(27,321) thousand; \$(93,957) thousand, \$(304,056) thousand and \$(31,832) thousand, respectively.

Note 3: The Group operates credit business in 2026 and 2025. As of June 30, 2026, December 31 and June 30, 2025, loan commitment credit exposures of the off-balance sheet were \$0 thousand, \$1,534,395 thousand and \$3,963,346 thousand, respectively, and the recognized loan commitments reserves were \$0 thousand, \$3,069 thousand and \$7,927 thousand, respectively, which were not included in the above-mentioned table.

(3) Determination on the credit risk that has increased significantly since initial recognition

1) The Group determines whether the credit risk of financial instruments applying the impairment requirements in IFRS 9 increased significantly since the initial recognition on each reporting date. For this assessment, the Group considers the reasonable and supportable information that shows the credit risk increased significantly since initial recognition (including forward looking information). The main considerations include: external credit rating, market price decline, credit spreads, quantitative and qualitative information.

2) Low credit risk: it may be assumed that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

(4) The definition of default and credit-impaired financial assets

The Group's definition of default on financial assets is as follows, if one or more conditions are met, it is determined that the financial asset has defaulted. However, it is not limited to this, all obviously objective evidences as a result of the inability of the debt or its credit-linked company to be repaid are treated as a breach of contract and the credible impairment procedure will be proceeded.

1) Bankruptcy:

Enter bankruptcy procedures in accordance with the "Bankruptcy Law", resolution for dissolution or takeover by the government, recognition of failure to pay loans on maturity date, etc.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2) Failure to pay:

After the expiration of the grace period, the principal or interest could not be paid on contract.

3) Debt restructuring:

Due to financial difficulties, the borrower negotiated with the creditor for debt relief, extension or replanning. The debt instrument held by the Group has been impaired because of the borrower's application for debt restructuring.

4) Repudiation or moratorium:

Unilaterally refuses or denies any legality or validity of debt, and refuses or defers payment.

5) Cross default or accelerated expiry:

A credit default of a credit-linked company or related institution's other debts or similar events that caused the early repayment of debt or breach of contract.

6) The company completely suspended its operations because of local government orders.

(5) Measurement of expected credit loss

1) The methodology and assumption applied

Expected credit loss is a probability-weighted estimate of credit losses for a specific period, and the period is based on whether the credit risk of the financial instruments have increased significantly since initial recognition. If the financial assets are determined to have low credit risk or no significant increase in credit risk, an amount equal to 12-month expected credit losses will be recognized. The impairment requirement is to recognize lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition or credit impaired.

In order to measure expected credit losses, the Group adopts Probability of default ("PD"), and include Loss given default ("LGD") and Exposure at default ("EAD"), and consider the impact of the time value of money, to calculate the expected credit losses for 12-month and lifetime, respectively.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For debt instruments classified as financial assets measured at fair value through other comprehensive income (FVOCI), specifically passive, unleveraged offshore bond ETFs denominated in New Taiwan dollars, the probability of default (PD) and loss given default (LGD) are determined with reference to the relevant interpretations issued by the competent authority and with reference to data published by the Taipei Exchange. The exposure at default (EAD) is measured based on the carrying amount of the positions, including the cost of the investments and accrued expected dividend distributions.

2) Forward-looking information considerations

The Probability of default and Loss given default which the debt instrument of Group used are based on the information released by Moody's, an international credit rating agency, and then to adjust the Probability of default to a forward-looking PD. The Probability of default is based on the future macroeconomic status with implied market data predictions. The Loss given default is based on the recovery rate of bonds by Moody's. The exposure at default is measured by the amortized cost of the financial assets (including accrued interest). The Probability of default and Loss given default used by the Group for loans are internal historical information (such as credit loss experience) which is adjusted based on current observable data and forward-looking macroeconomic information (e.g., consumer price index and the unemployment rate). The Exposure at default is measured by the amortized cost (including accrued interest).

(6) Policies to hedge or mitigate credit risk

1) Collateral

The Group requires full collateral from the borrowers and set up lending policies to decrease credit risk. The amount of loan is evaluated based on borrower's ability to pay back, the type of collateral and the difficulty of its liquidation to ensure collection. Besides, creditor protection, collateral terms and offsetting terms are all addressed in the credit contract in case of any occurrence of credit event, of which the amount may be deductible, loan repayment schedule may be shortened or deemed as matured, in order to mitigate credit risks.

2) Enhancement of other credits

The Group have offsetting terms within credit contracts, which clearly define that all cash payments from debtors may be offset against their liabilities upon a credit event, in order to mitigate credit risk.

For the clients whom the Group considers to be incompetent to repay the loans, the Group would request one or more joint guarantors to enhance the guarantee for the creditor's right.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(7) The maximum credit risk exposure of the Group

The maximum credit risk exposure of the assets on the consolidated balance sheet, excluding collaterals or other credit enhancement tools, is the carrying amount of the assets.

The maximum exposure of assets used as collaterals, master netting arrangement and other credit enhancements is the carrying amount on the consolidated balance sheet.

(8) Credit risk

Credit risk of insurance contracts primarily arises from the risk that reinsurers may fail to fulfill their obligations under reinsurance contracts, which could result in financial losses to the Company. The Company conducts monthly monitoring of reinsurers' credit ratings to ensure compliance with relevant regulatory requirements and carefully selects appropriate reinsurers in order to mitigate potential losses.

	June 30, 2026				
	AAA	AA	A	Others	Total
Reinsurance portfolio held as an asset	\$ -	37,380,115	240,268	(5,251)	37,615,132
	December 31, 2025				
	AAA	AA	A	Others	Total
Reinsurance portfolio held as an asset	\$ -	38,492,193	269,512	(2,221)	38,759,484
	June 30, 2025				
	AAA	AA	A	Others	Total
Reinsurance portfolio held as an asset	\$ -	37,076,828	99,269	(1,384)	37,174,713

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(9) Changes in the loss allowance

The reconciliation in loss allowance of loans for the six months ended June 30, 2026 and 2025 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9	Impairment difference recognized in accordance with “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”	Total
Balance of January 1, 2026	\$ 38,822	237,234	88	28,280	-	304,424	2,241,102	2,545,526
Changes due to financial instruments recognized as at beginning:								
— Transfer to lifetime expected credit losses	(446)	457	2	(13)	-	-	-	-
— Transfer to credit-impaired financial assets	(2)	(94,599)	(8)	94,609	-	-	-	-
— Transfer to 12-month expected credit losses	3,702	(3,689)	(13)	-	-	-	-	-
— Financial assets that have been derecognized during the period	(1,390)	(118,296)	(19)	899	-	(118,806)	-	(118,806)
New financial assets originated or purchased	8,118	287	1	-	-	8,406	-	8,406
Impairment difference recognized in accordance with “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”	-	-	-	-	-	-	445,681	445,681
Write-off bad debts	-	-	-	(2,098)	-	(2,098)	-	(2,098)
Changes in models/risk parameters	23,478	6,455	258	219,078	-	249,269	-	249,269
Effect of changes in foreign exchange rates and others	(1,621)	(6,887)	-	(11,508)	-	(20,016)	(6,067)	(26,083)
Balance of June 30, 2026	<u>\$ 70,661</u>	<u>20,962</u>	<u>309</u>	<u>329,247</u>	<u>-</u>	<u>421,179</u>	<u>2,680,716</u>	<u>3,101,895</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit-impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9	Impairment difference recognized in accordance with “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”	Total
Balance of January 1, 2025	\$ 24,960	354,698	33	34,711	-	414,402	1,528,491	1,942,893
Changes due to financial instruments recognized as at beginning:								
— Transfer to lifetime expected credit losses	(543)	1,193	-	(650)	-	-	-	-
— Transfer to credit-impaired financial assets	(21)	(557)	(1)	579	-	-	-	-
— Transfer to 12-month expected credit losses	2,823	(2,601)	(3)	(219)	-	-	-	-
— Financial assets that have been derecognized during the period	(2,516)	(123,317)	-	(703)	-	(126,536)	-	(126,536)
New financial assets originated or purchased	8,224	886	-	-	-	9,110	-	9,110
Impairment difference recognized in accordance with “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”	-	-	-	-	-	-	213,529	213,529
Write-off bad debts	-	-	-	(2,202)	-	(2,202)	-	(2,202)
Changes in models/risk parameters	(2,035)	5,371	126	3,845	-	7,307	-	7,307
Effect of changes in foreign exchange rates and others	(78)	(313)	-	(175)	-	(566)	(1,257)	(1,823)
Balance of June 30, 2025	<u>\$ 30,814</u>	<u>235,360</u>	<u>155</u>	<u>35,186</u>	<u>-</u>	<u>301,515</u>	<u>1,740,763</u>	<u>2,042,278</u>

Note: As of June 30, 2026 and 2025, the Group had recognized loan commitments reserve of \$0 thousand and \$7,927 thousand, respectively for irrevocable loan commitment related to the loans business, which was not included in the above mentioned table.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The reconciliation in loss allowance of financial assets measured at fair value through other comprehensive income for the six months ended June 30, 2026 and 2025 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit- impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2026	\$ 84,059	-	-	960,353	-	1,044,412
Effects of retrospective application and retrospective restatement	241,312	-	-	(937,718)	-	(696,406)
Balance at beginning of period after adjustments	325,371	-	-	22,635	-	348,006
Changes due to financial instruments recognized as at beginning:						
— Financial assets that have been derecognized during the period	(6,942)	-	-	(77)	-	(7,019)
New financial assets originated or purchased	91,750	-	-	-	-	91,750
Recoverable	-	-	-	(566)	-	(566)
Changes in model/risk parameter	(51,195)	-	-	462	-	(50,733)
Effect of changes in foreign exchange rates and others	2,641	-	-	(587)	-	2,054
Balance of June 30, 2026	<u>\$ 361,625</u>	<u>-</u>	<u>-</u>	<u>21,867</u>	<u>-</u>	<u>383,492</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit- impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2025	\$ 57,511	-	-	1,020,048	-	1,077,559
Changes due to financial instruments recognized as at beginning:						
— Financial assets that have been derecognized during the period	(2,921)	-	-	(154)	-	(3,075)
New financial assets originated or purchased	3,607	-	-	-	-	3,607
Recoverable	-	-	-	(78)	-	(78)
Changes in model/risk parameter	(5,069)	-	-	11,340	-	6,271
Effect of changes in foreign exchange rates and others	(2,741)	-	-	(108,673)	-	(111,414)
Balance of June 30, 2025	<u>\$ 50,387</u>	<u>-</u>	<u>-</u>	<u>922,483</u>	<u>-</u>	<u>972,870</u>

Note: The sheet is prepared on basis of overall changes of the Group during the reporting period. As a result, the sheet includes accumulated impairment loss of the subsidiary upon business combination.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The reconciliation in expected credit losses of financial assets measured at amortized cost for the six months ended June 30, 2026 and 2025 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit- impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2026	\$ 948,040	-	-	1,782,587	-	2,730,627
Effects of retrospective application and retrospective restatement	(194,549)	-	-	937,718	-	743,169
Balance at beginning of period after adjustments	753,491	-	-	2,720,305	-	3,473,796
Changes due to financial instruments recognized as at beginning:						
— Transfer to lifetime expected credit losses	(2,021)	2,021	-	-	-	-
— Financial assets that have been derecognized during the period	(6,395)	-	-	-	-	(6,395)
New financial assets originated or purchased	28	-	-	-	-	28
Changes in model/risk parameter	(3,298)	143,768	-	41,599	-	182,069
Effect of changes in foreign exchange rates and others	9,066	1,851	-	(26,699)	-	(15,782)
Balance of June 30, 2026	<u>\$ 750,871</u>	<u>147,640</u>	<u>-</u>	<u>2,735,205</u>	<u>-</u>	<u>3,633,716</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit- impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9
	<u>12-month ECLs</u>					
Balance of January 1, 2025	\$ 1,107,694	-	-	1,886,341	-	2,994,035
Changes due to financial instruments recognized as at beginning:						
— Financial assets that have been derecognized during the period	(5,363)	-	-	-	-	(5,363)
New financial assets originated or purchased	5,780	-	-	-	-	5,780
Changes in model/risk parameter	(120,935)	-	-	28,282	-	(92,653)
Effect of changes in foreign exchange rates and others	(83,926)	-	-	(207,107)	-	(291,033)
Balance of June 30, 2025	<u>\$ 903,250</u>	<u>-</u>	<u>-</u>	<u>1,707,516</u>	<u>-</u>	<u>2,610,766</u>

Note: The sheet is prepared on basis of overall changes of the Group during the reporting period. As a result, the sheet includes accumulated impairment loss of the subsidiary upon business combination.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The reconciliation in expected credit losses of other financial assets for the six months ended June 30, 2026 and 2025 is as follows:

	12-month ECLs	Lifetime ECLs (collectively assessed)	Lifetime ECLs (individually assessed)	Lifetime ECLs (neither purchased nor originated credit- impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9
Balance of January 1, 2026	\$ 3,248	-	-	-	-	3,248
Changes due to financial instruments recognized as at beginning:						
— Financial assets that have been derecognized during the period	(21)	-	-	-	-	(21)
New financial assets originated or purchased	74	-	-	-	-	74
Changes in model/risk parameter	(410)	-	-	-	-	(410)
Effect of changes in foreign exchange rates and others	12	-	-	-	-	12
Balance of June 30, 2026	<u>\$ 2,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,903</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

				Lifetime ECLs (neither purchased nor originated credit- impaired financial assets)	Lifetime ECLs (purchased or originated credit- impaired financial assets)	The loss allowances measured in accordance with IFRS 9
	<u>12-month ECLs</u>	<u>Lifetime ECLs (collectively assessed)</u>	<u>Lifetime ECLs (individually assessed)</u>			
Balance of January 1, 2025	\$ 7,008	-	-	-	-	7,008
Changes due to financial instruments recognized as at beginning:						
— Financial assets that have been derecognized during the period	(11)	-	-	-	-	(11)
New financial assets originated or purchased	15	-	-	-	-	15
Changes in model/risk parameter	(3,140)	-	-	-	-	(3,140)
Effect of changes in foreign exchange rates and others	(467)	-	-	-	-	(467)
Balance of June 30, 2025	<u>\$ 3,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,405</u>

Note: The other financial assets of the Group were reclassified to “Refundable deposits” due to being provided as collateral, and the related allowance for impairment loss was also reclassified accordingly. For detailed explanations regarding the collateral conditions of other financial assets and the reclassification to refundable deposits, please refer to Note 6(M) and Note 8.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(d) Liquidity risk analysis

Liquidity Risk of Financial Instruments

The liquidity risk of financial instruments is divided into capital liquidity risk and market liquidity risk. Capital liquidity risk refers to the risk that the Group does not possess sufficient cash and is not able to raise funds in time and finally failed to fulfill the obligation (debt repayment); market liquidity risk refers to the risk that the Group is not able to settle or offset current position with reasonable market price due to the shallow market depth or market disorder or the oversized possession of the investment position and finally the Group may suffer from losses.

In terms of capital liquidity risk, the Group manages it in two aspects, short-term and mid-to-long term. In addition to setting the index of management of short-term liquidity risk, relevant departments have established prompt cash report mechanism and have applied proper currency market instruments for daily capital movement. Besides, the Group has established the index of mid-to-long term capital liquidity risk management reviewed by the Assets and Liabilities Management Committee or other related units. The Group applies cash flow analysis model to monitor the coordination of assets and liabilities in order to lower related risks.

Regarding the market liquidity risk, the risk management department of the Group established monitoring mechanism based on internal management policies and relevant regulations for stock concentration, the overall liquidity of investment positions and the evaluation of market liquidity risk performed by the investment department prior to transactions in order to mitigate the market liquidity risk.

In addition, the Group established complete crisis management and responding mechanism to cope with significant capital demand of unusual or emergent situations.

The Group possesses sufficient operating funds, including cash and cash equivalents and securities with excellent liquidity such as government bond, to cover the investments and debt repayments. Therefore, the liquidity risk of the Group is extremely low. In addition, the derivative financial instruments the Group engages in, such as forward exchange contracts and foreign exchange swaps, are all of highly liquid currencies. The possibility that they are not able to be sold at reasonable prices in the market is minimum, and therefore the market liquidity risk is low. Furthermore, forward exchange contracts and foreign exchange swaps which matured are mostly rolled forward and the capital to pay for the settlements is sufficient. Thus, the capital liquidity risk is insignificant.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The maturity structure of the nonderivative financial liabilities of the Group is listed below:

	June 30, 2026				
	<1 year	1~3 years	3~5 years	>5 years	Total
Accounts payable	\$ 53,552,791	2,402,137	-	-	55,954,928
Short-term liabilities (Note1)	252,377	-	-	-	252,377
Investment contracts measured at financial assets at fair value through profit and loss	217,655,837	-	-	-	217,655,837
Investment contracts measured at amortized cost	77,496,654	62,154,189	1,180,645	3,119,744	143,951,232
Bonds payable (Note1)	44,268,446	17,472,847	17,487,218	258,804,792	338,033,303
Other financial liabilities (Note1)	460,245	3,166,101	802,290	803,735	5,232,371
Guarantee deposits (Note2)	183,670	184,421	218,032	1,210,513	1,796,636
Total	\$ 393,870,020	85,379,695	19,688,185	263,938,784	762,876,684

	December 31, 2025				
	<1 year	1~3 years	3~5 years	>5 years	Total
Accounts payable	\$ 83,977,455	294,600	-	-	84,272,055
Short-term liabilities (Note1)	8,975,725	-	-	-	8,975,725
Investment contracts measured at financial assets at fair value through profit and loss	192,936,056	-	-	-	192,936,056
Investment contracts measured at amortized cost (Note3)	66,276,164	70,596,100	15,959,191	3,371,804	156,203,259
Bonds payable (Note1)	37,613,713	22,721,663	16,172,278	239,026,340	315,533,994
Other financial liabilities (Note1)	278,190	3,193,105	812,249	1,000,573	5,284,117
Guarantee deposits (Note2)	178,709	217,827	226,870	1,197,227	1,820,633
Total	\$ 390,236,012	97,023,295	33,170,588	244,595,944	765,025,839

	June 30, 2025				
	<1 year	1~3 years	3~5 years	>5 years	Total
Accounts payable	\$ 68,987,637	284,403	-	-	69,272,040
Short-term liabilities (Note 1)	3,633,858	-	-	-	3,633,858
Investment contracts measured at financial assets at fair value through profit and loss	172,824,724	-	-	-	172,824,724
Investment contracts measured at amortized cost (Note3)	111,351,924	44,964,176	4,019,627	3,372,034	163,707,761
Bonds payable (Note 1)	6,685,076	46,618,533	11,057,729	166,476,113	230,837,451
Other financial liabilities (Note1)	1,535,674	2,224,224	291,541	437,373	4,488,812
Guarantee deposits (Note2)	162,132	245,017	231,537	792,380	1,431,066
Total	\$ 365,181,025	94,336,353	15,600,434	171,077,900	646,195,712

Note 1: The disclosed amounts included estimated interests and thus cannot be equal to the relevant accounts in the financial statements. In addition, for bonds payable without maturity date, the contractual cash flows were calculated based on a remaining maturity of 10 years.

Note 2: The above amounts do not include margin deposits for derivative financial instruments.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 3: Classified by contract maturity date based on reserve basis.

Note 4: The Group operates credit business in 2026 and 2025. As of June 30, 2026, December 31 and June 30, 2025, loan commitment credit exposures of the off-balance sheet were \$0 thousand, \$1,534,395 thousand and \$3,963,346 thousand, respectively, and the recognized loan commitments reserves were \$0 thousand, \$3,069 thousand and \$7,927 thousand, respectively. Among the total amounts of the loan commitment, \$0 thousand, \$1,534,395 thousand and \$3,553,075 thousand will be due within a year. As of June 30, 2025, the amount of the loan commitment \$410,272 thousand will be due in 1 to 3 years.

As of June 30, 2026, December 31 and June 30, 2025 the Group's lease liability maturity analysis, please refer to Note 6(R).

The maturity structure of the derivative financial liabilities of the Group is listed below:

June 30, 2026					
	<u><1 year</u>	<u>1~3 years</u>	<u>3~5 years</u>	<u>>5 years</u>	<u>Total</u>
Financial liabilities measured at fair value through profit or loss	\$ 7,176,003	-	-	-	7,176,003
Financial liabilities for hedging	5,023,062	798,708	-	-	5,821,770
Total	<u>\$ 12,199,065</u>	<u>798,708</u>	<u>-</u>	<u>-</u>	<u>12,997,773</u>

December 31, 2025					
	<u><1 year</u>	<u>1~3 years</u>	<u>3~5 years</u>	<u>>5 years</u>	<u>Total</u>
Financial liabilities measured at fair value through profit or loss	\$ 14,770,185	-	-	-	14,770,185
Financial liabilities for hedging	2,555,691	181,339	-	-	2,737,030
Total	<u>\$ 17,325,876</u>	<u>181,339</u>	<u>-</u>	<u>-</u>	<u>17,507,215</u>

June 30, 2025					
	<u><1 year</u>	<u>1~3 years</u>	<u>3~5 years</u>	<u>>5 years</u>	<u>Total</u>
Financial liabilities measured at fair value through profit or loss	\$ 15,489,495	-	-	-	15,489,495
Financial liabilities for hedging	828,077	218,340	-	-	1,046,417
Total	<u>\$ 16,317,572</u>	<u>218,340</u>	<u>-</u>	<u>-</u>	<u>16,535,912</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) The liquidity risk of insurance contracts

Liquidity risk in respect of insurance contracts primarily arises from the risk that the Group is unable to realise assets or obtain sufficient funding to meet its obligations as they fall due. In addition to performing regular maturity analyses of insurance contract liabilities, the Group reviews short-to-medium-term liquidity risk management indicators through the Asset and Liability Management Committee or other related units. Asset-liability matching strategies are implemented to mitigate the related risks, and contingency plans are established in advance for potential benefit payments, in order to ensure the timeliness of liquidity risk management and to avoid any shortfall in liquidity.

The table below presents a maturity analysis of the Group's insurance contract liabilities:

Maturity date	June 30, 2026				
	<1 year	1~3 years	3~5 years	>5 years	Total
Insurance contract liabilities	105,011,583	226,536,177	289,123,477	10,998,478,475	11,619,149,712
Reinsurance contract liabilities	177,006	337,695	358,266	8,204,500	9,077,467

Maturity date	December 31, 2025				
	<1 year	1~3 years	3~5 years	>5 years	Total
Insurance contract liabilities	131,709,172	233,633,817	277,246,486	10,742,257,642	11,384,847,117
Reinsurance contract liabilities	181,081	390,266	418,706	8,070,434	9,060,487

Maturity date	June 30, 2025				
	<1 year	1~3 years	3~5 years	>5 years	Total
Insurance contract liabilities	100,760,800	252,131,808	250,126,566	10,761,546,430	11,364,565,604
Reinsurance contract liabilities	228,700	468,079	491,860	8,413,845	9,602,484

Note: The amounts disclosed in the above table represent the aggregated undiscounted net cash flows of each group of insurance contracts.

The amounts payable on demand under the Group's insurance contracts are presented in the table below:

	2026.June 30,		December 31, 2025	
	Amount payable on demand	Book value	Amount payable on demand	Book value
Insurance contract liabilities	\$ 3,913,911,695	4,678,571,755	4,021,082,372	4,736,717,019
Reinsurance contract liabilities	70.043	3.526.955	-	3.864.645

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Sensitivity analysis of insurance risk and market risk

(1) Sensitivity analysis table of market risk

1) The Company

		June 30, 2026					
		Financial assets		Liability reserves		Net change	
Risk factor	Variation	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)
Equity risk	Price incline by 10%	32,502,706	116,801,545	(8,806,651)	(8,806,651)	23,696,055	107,994,894
(Price index)	Price decline by 10%	(32,502,706)	(116,801,545)	8,806,650	8,806,650	(23,696,056)	(107,994,895)
Interest rate risk	Interest rate curve incline by 50bps	(5,102,276)	(71,373,437)	244,405	196,989,316	(4,857,871)	125,615,879
(Yield curve)	Interest rate curve decline by 50bps	5,015,740	74,283,209	(186,838)	(210,659,217)	4,828,902	(136,376,008)
Exchange rate risk	Functional currency to all currency incline by 3%	(24,371,507)	(30,466,979)	21,716,312	21,716,312	(2,655,195)	(8,750,667)
(Foreign exchange rate)	Functional currency to all currency decline by 3%	24,371,507	30,466,979	(21,716,310)	(21,716,310)	2,655,197	8,750,669

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		December 31, 2025					
Risk factor	Variation	Financial assets		Liability reserves		Net change	
		Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)
Equity risk	Price incline by 10%	86,691,072	89,667,001	(3,747,275)	(3,747,274)	82,943,797	85,919,727
(Price index)	Price decline by 10%	(86,691,072)	(89,667,001)	3,747,277	3,747,277	(82,943,795)	(85,919,724)
Interest rate risk	Interest rate curve incline by 50bps	(30,243,591)	(41,871,411)	2,557,798	200,481,326	(27,685,793)	158,609,915
(Yield curve)	Interest rate curve decline by 50bps	30,683,353	43,038,781	(2,566,746)	(198,043,315)	28,116,607	(155,004,534)
Exchange rate risk	Functional currency to all currency incline by 3%	(62,466,059)	(76,175,147)	20,970,940	20,970,940	(41,495,119)	(55,204,207)
(Foreign exchange rate)	Functional currency to all currency decline by 3%	62,466,059	76,175,147	(20,970,936)	(20,970,936)	41,495,123	55,204,211

		June 30, 2025					
Risk factor	Variation	Financial assets		Liability reserves		Net change	
		Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)
Equity risk	Price incline by 10%	86,783,223	88,607,184	(4,281,879)	(4,281,879)	82,501,344	84,325,305
(Price index)	Price decline by 10%	(86,783,223)	(88,607,184)	4,281,894	4,281,894	(82,501,329)	(84,325,290)
Interest rate risk	Interest rate curve incline by 50bps	(28,040,495)	(35,377,854)	2,268,210	196,585,348	(25,772,285)	161,207,494
(Yield curve)	Interest rate curve decline by 50bps	28,392,233	36,218,277	(2,258,501)	(201,020,515)	26,133,732	(164,802,238)
Exchange rate risk	Functional currency to all currency incline by 3%	(40,749,829)	(54,528,009)	19,453,438	19,502,651	(21,296,391)	(35,025,358)
(Foreign exchange rate)	Functional currency to all currency decline by 3%	40,749,829	54,528,009	(19,453,431)	(19,502,643)	21,296,398	35,025,366

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2) Fubon Hyundai Life Insurance

(Unit: KRW thousand)

		June 30, 2026					
Risk factor	Variation	Financial assets		Liability reserves		Net change	
		Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)
Equity risk	Price incline by 10%	251,124,773	251,124,773	(785,326)	(785,326)	250,339,447	250,339,447
(Price index)	Price decline by 10%	(251,124,773)	(251,124,773)	708,617	708,617	(250,416,156)	(250,416,156)
Interest rate risk	Interest rate curve incline by 50bps	-	(73,800,823)	-	262,329,301	-	188,528,478
(Yield curve)	Interest rate curve decline by 50bps	-	77,036,956	-	(259,795,254)	-	(182,758,298)
Exchange rate risk	Functional currency to all currency incline by 3%	(24,175,980)	(24,175,980)	-	-	(24,175,980)	(24,175,980)
(Foreign exchange rate)	Functional currency to all currency decline by 3%	24,175,980	24,175,980	-	-	24,175,980	24,175,980

		December 31, 2025					
Risk factor	Variation	Financial assets		Liability reserves		Net change	
		Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)
Equity risk	Price incline by 10%	160,888,301	160,888,301	(414,658)	(414,658)	160,473,643	160,473,643
(Price index)	Price decline by 10%	(160,888,301)	(160,888,301)	379,454	379,454	(160,508,847)	(160,508,847)
Interest rate risk	Interest rate curve incline by 50bps	-	(73,847,326)	4,383	276,112,806	4,383	202,265,480
(Yield curve)	Interest rate curve decline by 50bps	-	77,132,373	(6,239)	(310,098,159)	(6,239)	(232,965,786)
Exchange rate risk	Functional currency to all currency incline by 3%	(10,828,836)	(10,828,836)	-	-	(10,828,836)	(10,828,836)
(Foreign exchange rate)	Functional currency to all currency decline by 3%	10,828,836	10,828,836	-	-	10,828,836	10,828,836

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

		June 30, 2025					
Risk factor	Variation	Financial assets		Liability reserves		Net change	
		Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)	Change in profit or loss (before tax)	Change in Equity (before tax)
Equity risk	Price incline by 10%	176,486,674	176,486,674	-	-	176,486,674	176,486,674
(Price index)	Price decline by 10%	(176,486,674)	(176,486,674)	-	-	(176,486,674)	(176,486,674)
Interest rate risk	Interest rate curve incline by 50bps	-	(70,092,448)	5,965	340,261,307	5,965	270,168,859
(Yield curve)	Interest rate curve decline by 50bps	-	73,188,803	(8,104)	(332,329,989)	(8,104)	(259,141,186)
Exchange rate risk	Functional currency to all currency incline by 3%	69,243	69,243	-	-	69,243	69,243
(Foreign exchange rate)	Functional currency to all currency decline by 3%	(69,243)	(69,243)	-	-	(69,243)	(69,243)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Note1: The financial assets subject to sensitivity analyses for equity risk and interest rate risk primarily comprise financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. Equity risk scenarios include equities and funds (excluding money market funds and bond funds), while interest rate risk scenarios include bonds and bond funds.
- Note2: The sensitivity analysis of foreign exchange rate risk for financial assets includes positions relating to foreign currency-denominated policies and Offshore Insurance Unit (OIU) assets, and excludes investments in foreign underlying funds denominated in New Taiwan dollars. In respect of New Taiwan dollar-denominated policies, foreign currency debt instruments classified as financial assets measured at amortized cost with a remaining maturity of more than one year are subject to exchange differences arising under the scenarios, which are amortized over the expected remaining duration and recognized in profit or loss over one year.
- Note3: The calculation results presented in the above table do not take into account the impact of the reserve for foreign exchange valuation.
- Note4: The sensitivity analysis presented above is based on hypothetical scenarios. The impact of changes in risk factors on fair value is calculated under the assumption that all other factors remain constant.
- Note5: Assuming other factors remain constant, as of June 30, 2026, December 31, 2025, and June 30, 2025, a 1 bp upward parallel shift in the New Taiwan dollar yield curve would result in impacts of \$(48,756) thousand and \$(192,471) thousand, \$(44,160) thousand and \$(203,825) thousand, and \$(35,662) thousand and \$(132,594) thousand on profit before tax and equity, respectively, arising from financial assets. In addition, a 1 bp upward parallel shift in the U.S. dollar yield curve would result in impacts of \$(42,884) thousand and \$(1,252,493) thousand, \$(551,351) thousand and \$(629,663) thousand, and \$(506,255) thousand and \$(558,951) thousand on profit before tax and equity, respectively.
- Note6: Assuming other factors remain the same, an upward parallel shift in the yield curve for individual currency of 1 bp will affect KRW (1,507,729) thousand, (1,509,138) thousand, and (1,432,193) thousand in equity on June 30, 2026, December 31, and June 30, 2025, respectively for the Subsidiary, Fubon Hyundai Life Insurance.
- Note7: Hong Kong, Vietnam, and Singapore subsidiaries are considered immaterial to the consolidated disclosures after the Group's assessment; therefore, their financial data are not separately presented.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Sensitivity analysis table of insurance risk

Sensitivity analysis is used to assess the impact on profit before tax and equity for the current period arising from a change in a single assumption, while all other assumptions remain unchanged. The impact on equity is calculated based on the assumption that income tax amounts to 20% of profit before tax for the Company and its subsidiary Fubon Life Insurance Vietnam, 16.5% for its subsidiary Fubon Life Insurance (Hong Kong), and 24.2% (23.1% for the year 2025) for its subsidiary Fubon Hyundai Life Insurance. The key assumptions considered in the sensitivity analysis include mortality and morbidity rates, expense assumptions, lapse rates, and surrender rates.

		June 30, 2026				
				Gross of reinsurance	net of reinsurance	
		Change of assumption		Change of income before tax	Change of income before tax	Change of stockholder's equity
Mortality/Morbidity	Increase 10%			(6,916,422)	(5,451,739)	(5,327,614)
Expense(Maintenance Expense)	Increase 5%			(657,793)	(505,915)	(505,915)
Lapse and surrender rate	Increase 10%			(1,346,237)	(1,073,543)	(1,092,489)

		December 31, 2025				
				Gross of reinsurance	net of reinsurance	
		Change of assumption		Change of income before tax	Change of income before tax	Change of stockholder's equity
Mortality/Morbidity	Increase 10%			(10,939,666)	(8,668,221)	(8,596,638)
Expense(Maintenance Expense)	Increase 5%			(754,286)	(587,211)	(587,117)
Lapse and surrender rate	Increase 10%			(2,063,598)	(1,636,925)	(1,645,585)

		June 30, 2025				
				Gross of reinsurance	net of reinsurance	
		Change of assumption		Change of income before tax	Change of income before tax	Change of stockholder's equity
Mortality/Morbidity	Increase 10%			(16,981,614)	(13,520,464)	(12,682,244)
Expense(Maintenance Expense)	Increase 5%			(760,414)	(590,514)	(590,514)
Lapse and surrender rate	Increase 10%			(1,120,681)	(892,704)	(912,499)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AG) Fair value and fair value hierarchy

(a) Fair value information

(1) General description

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments are 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 subsequent measurement. A quoted price in an active market is the best evidence of fair value. If the market is not active, the fair value of financial instruments is determined in accordance with (a) valuation techniques, (b) valuation provided by the professional finance information providers which are commonly used by market participants, or (c) quoted prices from counter parties.

(2) The definition of fair value hierarchy

1) Level 1 inputs

Level 1 inputs are quoted prices in active markets for identical financial instruments. An active market is one in which all the following conditions exist: a) the items traded within the market are homogeneous; b) willing buyers and sellers can normally be found at any time; and c) prices are available to the public. The fair values of Taiwan Government bonds, as well as equity instruments and debt instruments with quoted prices in active markets, and financial liabilities arising from investment contracts measured at fair value through profit or loss, are categorized in Level 1.

2) Level 2 inputs

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices). Debt instruments without active market prices, derivative instruments, and assets classified as held for sale are categorized in Level 2.

3) Level 3 inputs

Level 3 inputs are valuation parameters which are not based on the information available in the market or the quoted prices from counter parties. Equity, debt instruments, derivatives and investment properties without active market prices but based on quoted prices from counter parties or figures obtained from non-market indicators, are categorized in level 3.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

If the market parameters which are directly relevant to the financial instruments are not accessible, the Group uses the market parameters accessed from other similar companies to evaluate the value of the financial instruments. Even though the market parameters of other similar companies can be accessed publicly, the market parameters are indirectly related to the financial instruments. As a result, the Group classified the financial instruments, such as non-public stocks, to Level 3.

(3) Valuation techniques

1) Financial instruments

If a financial instrument has a quoted price in an active market, the quoted price is used as fair value. Quoted prices of major stock exchanges and Taipei Exchange, theoretical prices of government bonds, and net asset value of mutual funds, are all basis for measuring the fair value of listed equities and debt instruments with quoted prices in active markets.

If the quoted prices are timely and regularly available from stock exchanges, brokers, underwriters, industry associations, pricing agencies or authorities, and those prices represent actual and regularly occurring market transactions, on an arm's length basis, the financial instrument is regarded to have a quoted price in an active market. If the aforementioned conditions are not fulfilled, the market is regarded as inactive. Generally, large or significantly widen bid-ask spread, or significantly low trading volume are indications of an inactive market.

Except for financial instruments with active markets, fair value of other financial instruments is determined by valuation techniques, valuation provided by the professional finance information providers which are commonly used by market participants, or quoted prices from counter parties. Necessary inputs for the fair value resulting from the use of discounted cash flow method or other valuation techniques include available market information such as yield curve of Taipei Exchange.

The Group uses the valuation techniques commonly accepted by market participants for nonstandard and less complicated financial instruments. Parameters of valuation models are usually the observable market information.

Valuation of derivative instruments is based on valuation models commonly accepted by market participants such as discounted cash flow method. Valuation of forward exchange contracts is based on the discounted cash flow method using the quoted forward rate. Valuation of interest rate derivatives is based on discounted cash flow method with observable market inputs.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investment contracts classified as measured at fair value through profit or loss are associated with liabilities that are measured based on the fair value of the underlying assets in separate accounts at the measurement date. The underlying assets primarily consist of financial instruments with quoted prices in active markets.

Financial liabilities classified as investment contracts measured at amortized cost have their fair value determined with reference to the fair value approaches set out in the IFRS 17 Actuarial Practice Guidelines issued by the Actuarial Society of the Republic of China.

2) Non-financial instruments

The fair value of investment property is determined in accordance with the “the Regulations” and evaluated by the professional appraisal agency with the support of market evidences. Please refer to Note 6(H) for details.

The fair value of assets classified as held for sale is evaluated by referring to market price and appraisal report, and the transaction price is determined through negotiation between the buyer and the seller.

(4) Fair value adjustment

Limitations of valuation models and uncertain inputs

Limitations of valuation models may lead to insufficient reflection of all relevant elements of the financial and non-financial instruments. Therefore, the estimated value will be adjusted based on additional parameters when necessary. There are validation processes for valuation models, and the adjustments are considered to be proper and essential. Price information and parameters for measurement are carefully used and adjusted based on the current market conditions.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(b) Fair value measurement

(1) Fair value hierarchy

Information of fair value hierarchy is as follows:

Assets and liabilities items	June 30, 2026			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements				
Non-derivative assets and liabilities				
Assets:				
Financial assets measured at fair value on through profit or loss				
Security investment	\$ 129,279,491	128,875,498	-	403,993
Bond investment	104,241,298	3,840,216	94,983,911	5,417,171
Others	284,774,891	92,437,922	4,832,587	187,504,382
Financial assets measured at fair value through other comprehensive income				
Security investment	684,658,585	673,209,677	-	11,448,908
Bond investment (Note 1)	872,749,444	672,745,316	198,376,463	1,627,665
Others	549,639,516	549,639,516	-	-
Investment property (Note 2)	264,648,392	-	-	264,648,392
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Investment-linked insurance policy	217,655,837	217,655,837	-	-
Derivative assets and liabilities				
Assets:				
Financial assets measured at fair value through profit or loss	\$ 187,445	-	176,893	10,552
Financial assets for hedging	75,099	-	75,099	-
Liabilities:				
Financial liabilities measured at fair value through profit or loss	7,160,249	-	7,160,249	-
Financial liabilities for hedging	5,894,988	-	5,894,988	-

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December 31, 2025				
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements				
Non-derivative assets and liabilities				
Assets:				
Financial assets measured at fair value on through profit or loss				
Security investment	\$ 593,443,734	592,425,428	-	1,018,306
Bond investment	114,002,202	9,056,237	99,600,030	5,345,935
Others	767,973,959	591,616,064	6,004,151	170,353,744
Financial assets measured at fair value through other comprehensive income				
Security investment	41,260,393	28,044,713	-	13,215,680
Bond investment (Note 1)	418,200,766	218,561,287	199,550,214	89,265
Others	253	-	-	253
Investment property (Note 2)	264,534,687	-	-	264,534,687
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Investment-linked insurance policy	192,936,056	192,936,056	-	-
Derivative assets and liabilities				
Assets:				
Financial assets measured at fair value through profit or loss	\$ 59,676	-	50,782	8,894
Financial assets for hedging	694,319	-	694,319	-
Liabilities:				
Financial liabilities measured at fair value through profit or loss	14,738,927	-	14,738,927	-
Financial liabilities for hedging	2,927,924	-	2,927,924	-
Non-recurring fair value measurements				
Non-derivative assets and liabilities				
Assets:				
Assets classified as held for sale (Note 3)	\$ 302,520	-	302,520	-

June 30, 2025				
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Recurring fair value measurements				
Non-derivative assets and liabilities				
Assets:				
Financial assets measured at fair value on through profit or loss				
Security investment	\$ 547,145,009	546,084,583	-	1,060,426
Bond investment	96,896,252	8,427,340	83,405,974	5,062,938
Others	826,709,577	643,800,124	8,045,634	174,863,819
Financial assets measured at fair value through other comprehensive income				
Security investment	18,713,124	7,051,530	-	11,661,594
Bond investment (Note 1)	264,833,054	166,200,764	88,721,225	9,911,065
Others	1,020	-	-	1,020
Investment property (Note 2)	260,401,061	-	-	260,401,061
Liabilities:				
Financial liabilities measured at fair value through profit or loss				
Investment-linked insurance policy	172,824,725	172,824,725	-	-
Derivative assets and liabilities				
Assets:				
Financial assets measured at fair value through profit or loss	\$ 40,673,434	-	40,303,058	370,376
Financial assets for hedging	789,030	-	789,030	-
Liabilities:				
Financial liabilities measured at fair value through profit or loss	15,456,576	-	15,456,576	-
Financial liabilities for hedging	1,377,848	-	1,377,848	-

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 1: Government bonds provided as statutory deposits were included.

Note 2: Excluding investment properties not measured at fair value.

Note 3: Excluding assets classified as held for sale which is not measured at fair value.

(2) Transfer between Level 1 and Level 2

There was no significant transfer between Level 1 and Level 2 for the six months ended June 30, 2026 and 2025.

(3) The movement details of Level 3

Movements of assets categorized in Level 3 are as follows:

For the six months ended June 30, 2026										
				Valuation profit or loss		Increase		Decrease		
	Beginning balance	Effects of retrospective application and retrospective restatement	Equity at beginning of period after adjustments	Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transfer into Level 3 (a)(b)	Sale, disposal or settlement	Transfer out of Level 3 (b)(c)	Ending balance
Name										
Financial assets measured at fair value through profit or loss	\$ 176,726,879	(592,063)	176,134,816	5,419,505	(1,260,266)	19,051,842	-	6,009,799	-	193,336,098
Financial assets measured at fair value through other comprehensive income	13,305,198	1,618,201	14,923,399	46,542	(2,321,917)	-	458,715	30,166	-	13,076,573
Investment property	264,534,687	-	264,534,687	(1,051,339)	(340,255)	1,357,053	148,246	-	-	264,648,392
Total	\$ 454,566,764	1,026,138	455,592,902	4,414,708	(3,922,438)	20,408,895	606,961	6,039,965	-	471,061,063

Name	For the six months ended June 30, 2025							
	Beginning balance	Valuation profit or loss		Increase		Decrease		Ending balance
		Recognized in profit or loss	Recognized in other comprehensive income (Note)	Purchase or issue	Transfer into Level 3 (a)(b)	Sale, disposal or settlement	Transfer out of Level 3 (b)(c)	
Financial assets measured at fair value through profit or loss	\$ 216,656,339	(21,682,968)	(740,632)	14,946,422	-	27,821,602	-	181,357,559
Financial assets measured at fair value through other comprehensive income	10,885,510	(10,918)	899,745	271	9,800,514	1,443	-	21,573,679
Investment property	259,992,580	(8,935)	123,957	502,911	133	-	209,585	260,401,061
Total	\$ 487,534,429	(21,702,821)	283,070	15,449,604	9,800,647	27,823,045	209,585	463,332,299

- (a) Transferred to Level 3 is because of a lack of observable market data, resulting from a decrease in market activity for the securities.
- (b) The Group's policy is to recognize transfer-in and transfer-out of Level 3 as of the date of the event or change in circumstances that caused the transfers.
- (c) Transferred from Level 3 is because observable market data became available for the securities.

	For the six months ended June 30,	
	2026	2025
The amount of the total gains or losses for the period included in profit or loss that is attributable to the change in unrealized gains or losses relating to these assets and liabilities held at the end of the reporting period	<u>\$ 4,414,708</u>	<u>(10,976,527)</u>
The amount of the total gains or losses for the period included in other comprehensive income that is attributable to the change in unrealized gains or losses relating to these assets and liabilities held at the end of the reporting period	<u>\$ (2,345,354)</u>	<u>899,771</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (4) Quantitative information about the significant unobservable inputs used in the fair value measurement

Financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income and investment property of the Group are categorized in Level 3.

Because of the inability to comprehensively manage the relationship between significant unobservable inputs and fair value, the undisclosed quantitative information about fair value are as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
	\$ 192,965,666	174,332,959	188,373,550

Quantitative information about the significant unobservable inputs are as follows:

Accounting classification	June 30, 2026				
	Fair value	Valuation techniques	Significant unobservable input	Range (weighted-average)	Relationship between inputs and fair value
Financial assets measured at fair value through profit or loss	\$ 2,002,690	Asset-based Approach	Discount for lack of marketability	5%	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%	The higher the non-controlling discount, the lower the fair value
		Market Approach — Merton debt evaluation model	Discount for lack of marketability	21.89%	The higher the discount for lack of marketability, the lower the fair value
		Black-Scholes Model	Risk-free rate	5 months : 3.75%~4.58%	The higher the risk-free rate, the higher the call warrant value but the lower the put option value
			Volatility	39.78%~48.62%	The higher the volatility, the higher the fair value
Financial assets measured at fair value through other comprehensive income	11,444,315	Asset-based Approach	Underlying stock price	US\$1,742,835~\$2,130,131	The higher the underlying stock price, the higher the call warrant value but the lower the put option value
			Discount for lack of marketability	0%~100% (16.88%)	The higher the discount for lack of marketability, the lower the fair value
		Market Approach — comparable companies	Non-controlling discount	0%~10% (5.00%)	The higher the non-controlling discount, the lower the fair value
			Discount for lack of marketability	10.80%~25% (20.27%)	The higher the discount for lack of marketability, the lower the fair value
Investment property	264,648,392	Please refer to Note 6(H)	P/B ratio	1.60~3.30 (2.45)	The higher the P/B ratio, the higher the fair value

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

December 31, 2025					
Accounting classification	Fair value	Valuation techniques	Significant unobservable input	Range (weighted-average)	Relationship between inputs and fair value
Financial assets measured at fair value through profit or loss	\$ 2,488,062	Asset-based Approach	Discount for lack of marketability	5%~100% (14.5%)	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%~10% (5.56%)	The higher the non-controlling discount, the lower the fair value
		Market Approach — comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	1.7	The higher the P/B ratio, the higher the fair value
		Market Approach — Merton debt evaluation model	Discount for lack of marketability	15.13%	The higher the discount for lack of marketability, the lower the fair value
		Black-Scholes Model	Risk-free rate	10 years : 3.75%~4.58%	The higher the risk-free rate, the higher the call warrant value but the lower the put option value
			Volatility	39.78%~48.62%	The higher the volatility, the higher the fair value
Financial assets measured at fair value through other comprehensive income	13,211,056	Asset-based Approach	Discount for lack of marketability	0%~10% (6.67%)	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%	The higher the non-controlling discount, the lower the fair value
		Market Approach — comparable companies	Discount for lack of marketability	10.65%~50% (28.55%)	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	3.2~3.3 (3.25)	The higher the P/B ratio, the higher the fair value
		Discounted Cash Flow Method	Discount rate	0.00%	The higher the discount rate, the lower the fair value
			Credit spread	0.86%~15.78%	The higher the credit spread, the lower the fair value
			Prepayment rate	0.00%~0.29%	The higher the prepayment rate, the higher the fair value
Investment property	264,534,687	Please refer to Note 6(H)			

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Accounting classification	June 30, 2025				
	Fair value	Valuation techniques	Significant unobservable input	Range (weighted-average)	Relationship between inputs and fair value
Financial assets measured at fair value through profit or loss	\$ 2,900,016	Asset-based Approach	Discount for lack of marketability	5%	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%~10%(5.56%)	The higher the non-controlling discount, the lower the fair value
		Market Approach — comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	1.7~1.8(1.75)	The higher the P/B ratio, the higher the fair value
			Discount for lack of marketability	17.18%	The higher the discount for lack of marketability, the lower the fair value
		Market Approach — Merton debt evaluation model	Risk-free rate	6 months: 1.09%~1.33% 10 years: 3.82%~4.67%	The higher the risk-free rate, the higher the call warrant value but the lower the put option value
		Black-Scholes Model	Volatility	6 years : 26.85%~32.82% 39.78%~48.62%	The higher the volatility, the higher the fair value
			Underlying stock price	HK \$81,268,479 ~ \$99,328.141 US \$1,391,648 ~ \$1,700,903	The higher the underlying stock price, the higher the call warrant value but the lower the put option value
Financial assets measured at fair value through other comprehensive income	11,657,672	Asset-based Approach	Discount for lack of marketability	0%~10% (6.67%)	The higher the discount for lack of marketability, the lower the fair value
			Non-controlling discount	5%	The higher the non-controlling discount, the lower the fair value
		Market Approach — comparable companies	Discount for lack of marketability	13.04%~50% (29.35%)	The higher the discount for lack of marketability, the lower the fair value
			P/B ratio	2.4~3.5 (2.95)	The higher the P/B ratio, the higher the fair value
			Discount rate	2.82%~2.97%	The higher the discount rate, the lower the fair value
		Discounted Cash Flow Method	Credit spread	0.86%~15.78%	The higher the credit spread, the lower the fair value
			Prepayment rate	0.04%~0.51%	The higher the prepayment rate, the higher the fair value
Investment property	260,401,061	Please refer to Note 6(H)			

(5) Valuation processes for fair value measurements categorized within Level 3

When the Group's fair value measurement uses both unobservable inputs and observable inputs which need a significant adjustment based on the unobservable parameters, the asset or liability is categorized in Level 3. The inputs come from:

- (a) Prices referring from the professional finance information providers, which are not different for each acquirer and shall be acquired through specific facility.
- (b) Prices referring from quoted prices from counter parties or valuation institution. Price information is provided on a monthly or 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 results.
- (c) Prices of equity investment referring from market approach and valuation model.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(d) Prices of loans referring from discounted cash flow method.

(e) Prices of derivatives referring from the valuation model

Investment property is evaluated by the professional appraisal agency in accordance with the valuation techniques announced by FSC.

- (6) Sensitivity and reasonableness of the fair value measurements categorized within Level 3

The fair value measurement of financial instruments and investment property are reasonable. Because of the inability to comprehensively manage the relationship between significant unobservable input and fair value, the Group does not perform alternative or sensitivity test for the items that are partially categorized within Level 3 and not valued by the Group. The following table summarizes the effects to profit or loss and other comprehensive income resulting from 10% changes in the valuation parameters of those financial instruments categorized within Level 3 valued by the Group and partially by the professional finance information providers:

June 30, 2026	Profit or loss		Other comprehensive income	
	(Note)			
Items	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at fair value through profit or loss	\$ 10,681	(9,642)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	119,236	(119,236)
Total	\$ 10,681	(9,642)	119,236	(119,236)

December 31, 2025	Profit or loss		Other comprehensive income	
	(Note)			
Items	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at fair value through profit or loss	\$ 8,005	(7,064)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	145,561	(144,721)
Total	\$ 8,005	(7,064)	145,561	(144,721)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

June 30, 2025 Items	Profit or loss		Other comprehensive income (Note)	
	Favorable	Unfavorable	Favorable	Unfavorable
Assets				
Financial assets measured at fair value through profit or loss	\$ 47,450	(45,396)	-	-
Financial assets measured at fair value through other comprehensive income	-	-	157,575	(157,575)
Total	\$ 47,450	(45,396)	157,575	(157,575)

(c) Assets and liabilities not measured at fair value

(1) Fair value information

Other than the items stated in the table below, disclosures of fair value are not required for the Group's financial instruments that are not measured at fair value (including cash and cash equivalents, receivables, other financial assets — cash in bank, loans, accounts payable, short-term liabilities, other financial liabilities — bank loans) and financial liabilities measured at amortized cost (annuity insurance) and their carrying amount is a reasonable approximation of fair value, and lease liabilities.

Items	Carrying amount	Fair value
June 30, 2026		
Financial assets		
Financial assets measured at amortized cost (Note 1)	\$ 2,305,081,734	1,740,633,485
Financial liabilities		
Financial liabilities measured at amortized cost	3,564,042	3,274,659
Bonds payable	249,362,614	248,250,213
December 31, 2025		
Financial assets		
Financial assets measured at amortized cost (Note 1)	2,759,165,980	2,174,930,236
Financial liabilities		
Financial liabilities measured at amortized cost	2,931,428	3,421,068
Bonds payable	231,127,931	232,174,407
June 30, 2025		
Financial assets		
Financial assets measured at amortized cost (Note 1)	2,581,421,354	1,990,514,458
Financial liabilities		
Financial liabilities measured at amortized cost	2,946,930	3,485,820
Bonds payable	172,122,047	170,444,370

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 1: Government bonds provided as statutory deposits were included.

Note 2: For fair value adjustments details, please refer to Note 6(AG)(a)(4).

(2) Fair value hierarchy

June 30, 2026				
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets:				
Financial assets measured at amortized cost	\$ 1,740,633,485	959,756,547	737,552,107	43,324,831
Financial liabilities:				
Financial liabilities measured at amortized cost	3,274,659	-	-	3,274,659
Bonds payable	248,250,213	45,921,907	188,486,908	13,841,398

December 31, 2025				
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets:				
Financial assets measured at amortized cost	\$ 2,174,930,236	1,400,075,073	721,467,092	53,388,071
Financial liabilities:				
Financial liabilities measured at amortized cost	3,421,068	-	-	3,421,068
Bonds payable	232,174,407	55,686,046	160,129,580	16,358,781

June 30, 2025				
Assets and liabilities items	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets:				
Financial assets measured at amortized cost	\$ 1,990,514,458	1,234,737,153	673,491,510	82,285,795
Financial liabilities:				
Financial liabilities measured at amortized cost	3,485,820	-	-	3,485,820
Bonds payable	170,444,370	15,028,830	137,574,199	17,841,341

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AH) Structured entities

(a) Consolidated structured entities

The consolidated structured entities of the Group are real estate investment and management entities. The structured entities are consolidated because the Group is exposed, or has rights, to variable returns from its involvement with the entities and can affect those returns through its power over the entities. As of June 30, 2026, December 31 and June 30, 2025, the Group has provided a non-contractual obligation loan of \$19,577,839 thousand, \$20,052,674 thousand and \$19,248,403 thousand to the entities, respectively.

(b) Unconsolidated structured entities

- (1) The Group hold the following types of rights of unconsolidated structured entities. The fund of unconsolidated structured entities is from the Group and an external third-party:

Type of structured entity	Nature and purpose	Rights of the Group
Private fund investment	Invest in private fund issued by outside fund manager to gain profit	Investment in the units issued by fund or limited partnership rights
Asset securitization product, real estate investment trust and secured loan	Invest in asset securitization product, real estate investment trust and secured loan to gain profit	Investment in asset-backed securities issued by unconsolidated structured entities, principal and interest revenue

- (2) The carrying amounts of the unconsolidated structured entities recognized by the Group were as below:

June 30, 2026	Private fund investment	Asset securitization product, real estate investment trust and secured loan
Assets held by the Group		
-Financial assets measured at fair value through profit or loss	\$ 186,047,196	2,279,442
-Financial assets measured at fair value through other comprehensive income	-	72,447,163
-Financial assets measured at amortized cost	-	30,205,437
-Loans	-	12,004,049
Total assets of the Group	<u>\$ 186,047,196</u>	<u>116,936,091</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

<u>December 31, 2025</u>	<u>Private fund investment</u>	<u>Asset securitization product, real estate investment trust and secured loan</u>
Assets held by the Group		
-Financial assets measured at fair value through profit or loss	\$ 168,551,732	61,401,723
-Financial assets measured at fair value through other comprehensive income	-	10,462,508
-Financial assets measured at amortized cost	-	26,899,373
-Loans	-	14,578,541
Total assets of the Group	<u>\$ 168,551,732</u>	<u>113,342,145</u>

<u>June 30, 2025</u>	<u>Private fund investment</u>	<u>Asset securitization product, real estate investment trust and secured loan</u>
Assets held by the Group		
-Financial assets measured at fair value through profit or loss	\$ 172,128,441	52,299,896
-Financial assets measured at fair value through other comprehensive income	-	10,486,056
-Financial assets measured at amortized cost	-	33,122,718
-Loans	-	15,703,209
Total assets of the Group	<u>\$ 172,128,441</u>	<u>111,611,879</u>

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

- (3) No financial support is provided for those unconsolidated private fund investments, asset securitization products, real estate investment trust and asset-backed loans for the six months ended June 30, 2026 and 2025.

(AI) Capital management

The targets of capital management of the Company, per the regulations of Insurance Bureau, FSC, are to maintain minimum regulatory capital, monitor the adequacy of the ability of discharging, prevent possible risk from operation, protect the interests of the insured and realize the benefit of shareholders and other stakeholders.

Meanwhile, the capital management of the Company is restricted to other domestic regulations such as the operating deposit paid to the National Treasury Administration, legal reserve and special reserve. Please refer to Note 6(M) and (X).

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The Company manages capital through monitoring the annual and semi-annual capital adequacy reports in order to ensure that the Company is equipped with adequate ability of discharging and rate of return.

In accordance with “Regulations Governing Capital Adequacy of Insurance Companies”, the level of capital adequacy is differentiated as norms that considers capital adequacy and net worth ratio. Capital adequacy refers to the ratio of the adjusted net capital to the risk-based capital, the net worth ratio is based on shareholder’s equity from the audited financial statement divided by total asset (excluding investments in separate insurance account).

Prior to December 31, 2025, the competent authority asks that capital adequacy ratio of an insurance company which equals or exceeds 200% and where the net worth ratio equals or exceeds 3% is classified as adequate capital. The capital adequacy ratio of an insurance company lower than 200% or where the net worth ratio is lower than 3% is divided into three categories by severity: inadequate capital, significantly inadequate capital, and seriously inadequate capital. Effective January 1, 2026, an insurance company is deemed to have adequate capital if its capital adequacy ratio is at least 100% and its net worth ratio is at least 3%. If the capital adequacy ratio is below 100% or the net worth ratios for the most recent two periods are both below 3%, the company is similarly classified, depending on the severity, as having inadequate capital, significantly inadequate capital, or seriously inadequate capital. An insurance company that fails to meet these thresholds is considered not to meet the regulatory capital adequacy requirement.

If an insurance company does not meet the capital adequacy requirement, it is prohibited from repurchasing its shares and from distributing earnings for the reporting year. In addition, the competent authority will take necessary supervisory measures based on the circumstances, including, but not limited to, requiring the company and its responsible persons to increase capital within a prescribed period or submit financial and operational improvement plans, suspending the sale of insurance products or restricting the launch of new products, limiting the use of funds, assigning supervisors, or implementing other necessary actions.

For the past two years (2025 and 2024), the Company’s capital adequacy ratio has exceeded 200%, and the net worth ratio for the most recent two periods has exceeded 3%, in compliance with the minimum requirements set by the competent authority.

As of June 30, 2026, the Group’s method of capital management for the year remains the same.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
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(AJ) Investing and financing activities not affecting current cash flow

The Group obtained a right of use asset through non-cash financing activities for the six months ended June 30, 2026 and 2025. Please refer to Note 6(M) for more information.

Reconciliation of liabilities arising from financing activities were as follows:

	<u>Bonds payable</u>	<u>Lease liabilities</u>
Balance of January 1, 2026	\$ 231,127,931	16,601,387
Cash flow used in financing activities		
Issuance of corporate bonds	20,000,000	-
Redemption of corporate bonds	(1,157,090)	-
Termination of lease liabilities	<u>-</u>	<u>(578,071)</u>
Subtotal	<u>18,842,910</u>	<u>(578,071)</u>
Items not affecting current cash flow		
Signing / renewing lease agreement and others	-	648,183
Amortization on discounts / premiums	22,121	-
Adjustment of interest payment	-	68,209
Effect of changes in foreign exchange rates	<u>(630,348)</u>	<u>(6,608)</u>
Subtotal	<u>(608,227)</u>	<u>709,784</u>
Balance of June 30, 2026	<u>\$ 249,362,614</u>	<u>16,733,100</u>

	<u>Bonds payable</u>	<u>Lease liabilities</u>
Balance of January 1, 2025	\$ 153,553,649	16,722,541
Cash flow used in financing activities		
Issuance of corporate bonds	19,000,000	-
Redemption of corporate bonds	(336,345)	-
Termination of lease liabilities	<u>-</u>	<u>(561,807)</u>
Subtotal	<u>18,663,655</u>	<u>(561,807)</u>
Items not affecting current cash flow		
Signing / renewing lease agreement and others	-	324,332
Acquisitions through business combinations	-	33,813
Amortization on discounts / premiums	3,260	-
Adjustment of interest payment	-	65,600
Effect of changes in foreign exchange rates	<u>(98,517)</u>	<u>(10,428)</u>
Subtotal	<u>(95,257)</u>	<u>413,317</u>
Balance of June 30, 2025	<u>\$ 172,122,047</u>	<u>16,574,051</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(AK) Other

(a) The Group's significant financial assets and liabilities denominated in foreign currencies are disclosed as follows:

	June 30, 2026			December 31, 2025			June 30, 2025		
	Foreign Currency	Exchange Rate (Note 2)	NTD	Foreign Currency	Exchange Rate (Note 2)	NTD	Foreign Currency	Exchange Rate (Note 2)	NTD
Financial Assets									
Monetary items (Note 1)									
USD	\$ 93,575,885	31.837/31.841/ 31.645	2,978,763,248	91,442,323	31.438/31.451/ 31.278	2,874,437,329	91,427,721	29.902/29.693/ 29.907/29.960	2,734,011,981
Non-monetary items (Note 1)									
USD	10,054,578	31.837/31.841/ 31.645	320,050,169	11,814,546	31.438/31.451/ 31.278	371,400,547	13,727,402	29.902/29.907/ 29.960	410,493,092
EUR	929,815	36.301	33,752,812	-	-	-	-	-	-
HKD	-	-	-	9,560,053	4.039	38,614,585	-	-	-
Derivatives Financial Instruments (Note 1)									
USD	-	31.837/31.841/ 31.645	188,524	-	31.438/31.451/ 31.278	543,992	-	29.902/29.907/ 29.960	41,098,274
Investments accounted for using equity method (Note 1)									
HKD	2,016,621	4.060	8,187,693	2,077,335	4.040	8,393,457	2,071,881	3.808	7,890,700
KRW	415,731,674	0.021	8,534,556	406,115,928	0.022	8,852,515	382,418,058	0.022	8,446,850
Financial Liabilities									
Monetary items (Note 1)									
USD	131,872	31.837/31.841	4,126,330	277,996	31.438/31.451	8,726,486	663,358	29.902/29.907	19,990,765
EUR	66,140	36.301	2,402,064	95,428	36.905	3,517,374	446,885	35.060	15,669,552
Non-monetary items (Note 1)									
USD	64	31.841	2,025	64	31.451	2,000	64	29.907	1,902
Derivatives Financial Instruments (Note 1)									
USD	-	31.837/31.645	13,049,432	-	31.438/31.278	17,664,821	-	29.902/29.960	16,790,804

Note 1: Each balance listed is greater than 5% of total amounts of the item.

Note 2: The adopted currency is based on the nature of the asset and liability.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (b) The amounts of total assets and liabilities which will be recovered or settled within or more than 12 months of the balance sheet date are as follows:

Assets	June 30, 2026		
	Recovery within 12 months	Recovery beyond 12 months	Total
Cash and cash equivalents	\$ 328,977,151	-	328,977,151
Receivables	102,146,901	4,410,119	106,557,020
Current tax assets	69,231	22,172,312	22,241,543
Financial assets measured at fair value through profit or loss	60,934,769	457,548,356	518,483,125
Financial assets measured at fair value through other comprehensive income	510,562,239	1,586,827,850	2,097,390,089
Financial assets for hedging	75,099	-	75,099
Financial assets measured at amortized cost	12,164,898	2,285,337,534	2,297,502,432
Investments accounted for using equity method, net	-	26,444,378	26,444,378
Other financial assets, net	3,171,526	2,325,669	5,497,195
Investment property	-	318,941,911	318,941,911
Loans	5,680,659	207,862,289	213,542,948
Reinsurance contract assets	213,519	37,401,613	37,615,132
Property and equipment	-	29,938,341	29,938,341
Right of use assets	-	5,788,168	5,788,168
Intangible assets	-	4,443,184	4,443,184
Deferred tax assets	-	41,863,794	41,863,794
Other assets	1,567,688	26,361,918	27,929,606
Assets on insurance products - separate account	407,210,702	114,400,977	521,611,679
Total assets	\$ 1,432,774,382	5,172,068,413	6,604,842,795

Liabilities	June 30, 2026		
	Settlement within 12 months	Settlement beyond 12 months	Total
Accounts payable	\$ 53,552,791	2,402,137	55,954,928
Current tax liabilities	13,649,606	4,047,001	17,696,607
Short-term liabilities	252,377	-	252,377
Financial liabilities measured at fair value through profit or loss	224,785,404	30,682	224,816,086
Financial liabilities for hedging	4,762,099	1,132,889	5,894,988
Financial liabilities measured at amortized cost	77,496,654	65,858,111	143,354,765
Bonds payable	35,000,000	214,362,614	249,362,614
Other financial liabilities	328,857	4,530,869	4,859,726
Lease liabilities	747,661	15,985,439	16,733,100
Insurance contract liabilities	124,097,955	4,554,473,800	4,678,571,755
Reinsurance contract liabilities	354,767	3,172,188	3,526,955
Provisions	17,626	5,648,977	5,666,603
Deferred tax liabilities	-	38,765,033	38,765,033
Other liabilities	2,630,093	265,824,139	268,454,232
Total liabilities	\$ 537,675,890	5,176,233,879	5,713,909,769

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Assets	December 31, 2025		
	Recovery within 12 months	Recovery beyond 12 months	Total
Cash and cash equivalents	\$ 390,665,554	-	390,665,554
Receivables	67,247,324	1,388,698	68,636,022
Current tax assets	308,378	18,082,130	18,390,508
Assets classified as held for sale, net	318,190	-	318,190
Financial assets measured at fair value through profit or loss	533,234,018	942,245,553	1,475,479,571
Financial assets measured at fair value through other comprehensive income	36,161,127	413,587,930	449,749,057
Financial assets for hedging	639,687	54,632	694,319
Financial assets measured at amortized cost	12,906,590	2,738,681,507	2,751,588,097
Investments accounted for using equity method, net	-	26,418,235	26,418,235
Other financial assets, net	2,717,250	2,688,525	5,405,775
Investment property	-	313,477,153	313,477,153
Loans	6,705,386	174,110,082	180,815,468
Reinsurance contract assets	387,335	38,372,149	38,759,484
Property and equipment	-	30,013,484	30,013,484
Right of use assets	-	5,888,374	5,888,374
Intangible assets	-	4,806,173	4,806,173
Deferred tax assets	-	62,110,965	62,110,965
Other assets	2,153,497	24,977,434	27,130,931
Assets on insurance products - separate account	368,627,865	125,318,205	493,946,070
Total assets	\$ 1,422,072,201	4,922,221,229	6,344,293,430

Liabilities	December 31, 2025		
	Settlement within 12 months	Settlement beyond 12 months	Total
Accounts payable	\$ 83,977,455	294,600	84,272,055
Current tax liabilities	11,478,393	899,976	12,378,369
Short-term liabilities	8,971,611	-	8,971,611
Financial liabilities measured at fair value through profit or loss	207,674,983	-	207,674,983
Financial liabilities for hedging	2,570,266	357,658	2,927,924
Financial liabilities measured at amortized cost	66,276,164	89,927,095	156,203,259
Bonds payable	28,500,000	202,627,931	231,127,931
Other financial liabilities	143,857	4,715,671	4,859,528
Lease liabilities	944,080	15,657,307	16,601,387
Insurance contract liabilities	150,061,046	4,586,655,973	4,736,717,019
Reinsurance contract liabilities	275,020	3,589,625	3,864,645
Provisions	38,964	5,759,536	5,798,500
Deferred tax liabilities	-	46,029,978	46,029,978
Other liabilities	2,017,061	228,359,289	230,376,350
Total liabilities	\$ 562,928,900	5,184,874,639	5,747,803,539

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Assets	June 30, 2025		
	Recovery within 12 months	Recovery beyond 12 months	Total
Cash and cash equivalents	\$ 396,383,931	-	396,383,931
Receivables	73,741,844	1,294,492	75,036,336
Current tax assets	184,458	17,396,754	17,581,212
Financial assets measured at fair value through profit or loss	576,706,075	934,718,197	1,511,424,272
Financial assets measured at fair value through other comprehensive income	23,207,708	250,704,208	273,911,916
Financial assets for hedging	627,837	161,193	789,030
Financial assets measured at amortized cost	15,454,105	2,558,390,801	2,573,844,906
Investments accounted for using equity method, net	-	24,875,783	24,875,783
Other financial assets, net	1,163,658	2,507,944	3,671,602
Investment property	-	304,096,181	304,096,181
Loans	7,532,512	140,417,128	147,949,640
Reinsurance contract assets	6,783	37,167,930	37,174,713
Property and equipment	-	28,858,498	28,858,498
Right of use assets	-	6,005,075	6,005,075
Intangible assets	-	4,694,930	4,694,930
Deferred tax assets	-	34,164,877	34,164,877
Other assets	976,255	25,090,942	26,067,197
Assets on insurance products - separate account	325,858,357	132,805,499	458,663,856
Total assets	\$ 1,421,843,523	4,503,350,432	5,925,193,955

Liabilities	June 30, 2025		
	Settlement within 12 months	Settlement beyond 12 months	Total
Accounts payable	\$ 68,987,637	284,403	69,272,040
Current tax liabilities	4,344,225	818,973	5,163,198
Short-term liabilities	3,632,142	-	3,632,142
Financial liabilities measured at fair value through profit or loss	188,281,301	-	188,281,301
Financial liabilities for hedging	1,067,323	310,525	1,377,848
Financial liabilities measured at amortized cost	111,351,924	52,355,837	163,707,761
Bonds payable	-	172,122,047	172,122,047
Other financial liabilities	1,466,436	2,737,705	4,204,141
Lease liabilities	791,513	15,782,538	16,574,051
Insurance contract liabilities	108,649,449	4,516,989,908	4,625,639,357
Reinsurance contract liabilities	287,940	3,419,207	3,707,147
Provisions	55,436	6,185,273	6,240,709
Deferred tax liabilities	-	23,609,858	23,609,858
Other liabilities	2,053,816	146,917,073	148,970,889
Total liabilities	\$ 490,969,142	4,941,533,347	5,432,502,489

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

7. RELATED-PARTY TRANSACTIONS

(A) Names and relationships of related parties

<u>Names of related parties</u>	<u>Relationship with the Group</u>
Fubon Financial Holding Co., Ltd.	Parent company
Fubon 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 Asset Management Company Limited	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
Fubon Financial Holding Venture Capital Co., Ltd.	Company controlled by Fubon Financial Holdings
Fubon Bank (Hong Kong) Limited	Company controlled by Fubon Financial Holdings
Hyundai Card Co., Ltd.	Investments accounted for using equity method
Taipei City Government	A major stockholder of Fubon Financial Holdings
Ming Dong Industrial Co., Ltd.	A major stockholder of Fubon Financial Holdings
Taiwan Fixed Network Co., Ltd.	Related parties in substance
KBRO Co., Ltd.	Related parties in substance
Fubon Property Management Co., Ltd.	Related parties in substance
Momo.com Inc.	Related parties in substance
Sharehope Medicine Co., Ltd.	Related parties in substance
Fubon Art Foundation	Related parties in substance
LES ENPHANTS CO., LTD.	Related parties in substance
Century Development Corporation	Related parties in substance
Star Energy Storage Co., Ltd.	Related parties in substance
APPWORKS FUND II CO., LTD.	Related parties in substance
APPWORKS FUND III CO., LTD.	Related parties in substance
China United Insurance Group Co., Ltd.	Related parties in substance
Taiwan High Speed Rail Corporation	Related parties in substance
Concord System Management Corporation	Related parties in substance
Fubon Charity Foundation	Related parties in substance
Star Trade CO., LTD.	Related parties in substance
Taiwan Business Bank, Ltd.	Related parties in substance
HD Renewable Energy Co., Ltd.	Related parties in substance
Hyundai Commercial Inc.	Related parties in substance

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Names of related parties	Relationship with the Group
Hyundai Mobis Co., Ltd.	Related parties in substance
Bluewalnut Co., Ltd.	Related parties in substance
H GREEN POWER INC.	Related parties in substance
HYUNDAI IHL CORPORATION	Related parties in substance
Global Information Technology Co., Ltd.	Related parties in substance
MOTRAS	Related parties in substance
Funds Managed by Fubon Asset Management	Related parties in substance
Others	Directors, supervisors, managers, their spouses and relatives up to the second degree, affiliates and the related parties in substance

(B) Significant transactions with related parties

(a) Bank deposits and deposits

(1) Bank deposits

Name of related party	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	Interest rate range %	Amount	Interest rate range %	Amount	Interest rate range %
Taipei Fubon Commercial Bank Co., Ltd.	\$ 53,599,988	0.00~0.67	44,271,874	0.00~1.60	39,802,964	0.00~1.62
Fubon Bank (Hong Kong) Limited	341,462	0.01~0.04	426,942	0.01~0.05	300,270	0.50~0.90
Taiwan Business Bank, Ltd.	-		2,298,763	0.71~1.52	3,918,350	0.50~1.70
Total	\$ 53,941,450		46,997,579		44,021,584	

(2) Restricted bank deposits

Name of related party	June 30, 2026		December 31, 2025		June 30, 2025	
	Amount	Interest rate range %	Amount	Interest rate range %	Amount	Interest rate range %
Taiwan Business Bank, Ltd.	\$ -		106,564	0.71	100,965	0.71

(b) Financial instruments

(1) Transaction of derivative financial instruments

Name of related party	Name of derivative instrument contracts	Notional amount		
		June 30, 2026	December 31, 2025	June 30, 2025
Taipei Fubon Commercial Bank Co., Ltd.	Foreign exchange swap contracts	\$ 34,663,669	39,044,667	46,261,709

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (2) The details of the fund's balance from related parties Fubon Asset Management were as follows:

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Funds Managed by Fubon Asset Management	\$ <u>-</u>	<u>-</u>	<u>59,566,874</u>

Note: The Company and its subsidiaries 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 Company and its subsidiaries did not restate comparative period information nor retrospectively adjust previously identified and disclosed related party relationships and transactions.

- (3) The Company and its subsidiaries have acquired Fubon REIT I Fund and Fubon REIT II Fund as follows:

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon REIT I Fund	\$ 659,297	650,211	718,924
Fubon REIT II Fund	<u>753,941</u>	<u>765,608</u>	<u>846,543</u>
Total	<u>\$ 1,413,238</u>	<u>1,415,819</u>	<u>1,565,467</u>

(c) Receivables

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 37,564	38,498	36,673
Fubon Insurance Co., Ltd.	334,460	337,851	614,754
Fubon Financial Holding Co., Ltd.	3,174,134	108,003	-
Taiwan Business Bank, Ltd.	-	2,968	10,145
Taipei City Government	-	-	14,329
Star Trade CO., LTD.	45,077	45,291	25,198
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	9,312	13,645	9,646
Total	<u>\$ 3,600,547</u>	<u>546,256</u>	<u>710,745</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(d) Joint declaration of tax

The Group and its parent company as well as its subsidiaries adopted the policy of jointly declaration of tax for declaring income tax and undistributed earnings. (Joint declaration of tax payable includes estimates payable pending for verification.)

	June 30, 2026	December 31, 2025	June 30, 2025
Joint declaration of tax-receivables (current income tax assets)	\$ 20,281,950	15,959,542	15,447,740
Joint declaration of tax-payable (current income tax liabilities)	14,480,730	12,201,271	5,111,917

(e) Details of financing activities

(1) Secured loans:

June 30, 2026						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Residence mortgage loans	29 related parties in substance	\$ 261,094	253,236	Normal loans	Real estate	None

December 31, 2025						
Category	Name of related party	Highest balance	Ending balance	Performing situation	Collateral	Collateral terms are the same with other regular clients
Residence mortgage loans	30 related parties in substance	\$ 228,346	218,429	Normal loans	Real estate	None

June 30, 2025						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Residence mortgage loans	31 related parties in substance	\$ 201,755	195,766	Normal loans	Real estate	None

The transaction terms for secured loans between related parties are identical to those of other market participants.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Life insurance loans:

June 30, 2026						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Life insurance loans	83 related parties in substance	\$ 62,980	59,953	Normal loans	Policy value	None

December 31, 2025						
Category	Name of related party	Highest balance	Ending balance	Performing situation	Collateral	Collateral terms are the same with other regular clients
Life insurance loans	81 related parties in substance	\$ 57,699	48,660	Normal loans	Policy value	None

June 30, 2025						
Category	Numbers or name of related party	Highest balance	Ending balance	Compliance situation	Type of collateral	Difference in transaction terms between related and unrelated parties
Life insurance loans	76 related parties in substance	\$ 47,869	42,788	Normal loans	Policy value	None

The transaction terms for life insurance loans between related parties are identical to those of other market participants.

(f) Refundable deposits

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Insurance Co., Ltd.	\$ 22,916	22,916	22,836
Taipei City Government	1,116,249	1,116,249	1,116,249
Fubon REIT I Fund	32,801	33,939	33,939
Taipei Fubon Commercial Bank Co., Ltd.	19,312	8	30,268
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	14,790	14,792	14,672
Total	<u>\$ 1,206,068</u>	<u>1,187,904</u>	<u>1,217,964</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(g) Prepayments

<u>Name of related party</u>	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 49,696	17,798	-
Fubon Insurance Co., Ltd.	12,942	60,135	10,698
Fubon Insurance Agency Co., Ltd.	116,803	128,734	116,909
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	8,087	5,326	7,612
Total	<u>\$ 187,528</u>	<u>211,993</u>	<u>135,219</u>

(h) Payables

<u>Name of related party</u>	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 1,892,562	2,190,249	1,190,044
Fubon Bank (Hong Kong) Limited	73,734	19,943	50,493
Fubon Insurance Co., Ltd.	20,079	9,695	21,308
Fubon Insurance Agency Co., Ltd.	71,743	81,335	82,975
Fubon Securities Co., Ltd.	53,212	49,603	28,167
Fubon Financial Holding Co., Ltd.	2,323,548	557,173	15,192,166
Taiwan Business Bank, Ltd.	-	11,168	10,977
Fubon Asset Management Company Limited	5,914	207,239	1,373
HD Renewable Energy Co., Ltd.	-	92	56,540
Hyundai Commercial Inc.	12,348	13,241	13,285
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	10,592	41,210	15,224
Total	<u>\$ 4,463,732</u>	<u>3,180,948</u>	<u>16,662,552</u>

(i) Advance receipts

<u>Name of related party</u>	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
KBRO Co., Ltd.	\$ 2,077	2,077	2,077
LES ENPHANTS CO., LTD.	2,916	2,822	2,831
Fubon Art Foundation	4,604	4,468	8,936
Momo.com Inc.	-	4,961	50
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	4,265	4,343	4,110
Total	<u>\$ 13,862</u>	<u>18,671</u>	<u>18,004</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(j) Bank loans

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taiwan Business Bank, Ltd.	\$ -	2,587,444	2,328,437

(k) Guarantee deposit (Non-lease related)

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
HD Renewable Energy Co., Ltd.	\$ 39,000	22,000	22,000

(l) Transaction for retirement pension savings

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Hyundai Mobis Co., Ltd.	\$ 2,300,881	3,686,579	4,754,711
Hyundai Commercial Inc.	1,252,953	1,395,182	1,193,668
Hyundai Card Co., Ltd.	2,937,183	3,230,540	2,937,262
Bluewalnut Co., Ltd.	40,849	50,977	33,618
H GREEN POWER INC.	57,668	60,244	59,498
MOTRAS	102,645	181,956	220,880
Global Information Technology Co., Ltd.	97,173	106,331	98,420
HYUNDAI IHL CORPORATION	243,521	240,667	240,150
Total	\$ 7,032,873	8,952,476	9,538,207

(m) Discretionary investment from related parties

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Fubon Asset Management Company Limited	\$ 35,029,962	20,397,488	14,135,250

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(n) Income

(1) Service fees

Name of related party	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Hyundai Mobis Co., Ltd.	\$ 1,335	2,763	3,083	5,777
Hyundai Commercial Inc.	1,365	1,277	2,786	2,591
Hyundai Card Co. Ltd.	3,259	3,155	6,658	6,358
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	363	261	757	523
Total	<u>\$ 6,322</u>	<u>7,456</u>	<u>13,284</u>	<u>15,249</u>

(2) Other revenues

Name of related party	Nature	For the three months ended June 30,		For the six months ended June 30,	
		2026	2025	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	Interest income, Marketing revenue, etc.	\$ 97,238	105,988	171,294	181,458
Taiwan Business Bank, Ltd.	Interest income	-	27,080	5,001	45,171
Fubon Insurance Co., Ltd.	Marketing revenue, other revenue, etc.	318,987	296,557	626,735	588,621
Others (related company or person accounts for not more than \$10,000 thousand or 10%)		3,264	8,705	5,677	18,613
Total		<u>\$ 419,489</u>	<u>438,330</u>	<u>808,707</u>	<u>833,863</u>

(o) Expenses

(1) Donations

Name of related party	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Fubon Charity Foundation	\$ 1,397	-	18,817	17,420
Fubon Art Foundation	250,000	250,000	250,000	250,000
Total	<u>\$ 251,397</u>	<u>250,000</u>	<u>268,817</u>	<u>267,420</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Other expenses

Name of related party	Nature	For the three months ended June 30,		For the six months ended June 30,	
		2026	2025	2026	2025
Taipei Fubon Commercial Bank Co., Ltd.	Bank charge, commission expenses, professional service fee, bank custody fee, etc.	\$ 3,336,912	2,508,381	6,082,428	5,482,185
Taiwan Business Bank, Ltd.	Commission expenses	-	5,456	3,827	126,239
Fubon Property Management Co., Ltd.	Management fee, investment property fee, etc.	46,454	39,073	102,094	93,471
Fubon Securities Co., Ltd.	Marketing expenses, consignment trading handling fees, entrusted with the sale of fee, security lending fee, professional service fee, etc.	118,573	70,194	246,996	143,228
Taiwan Fixed Network Co., Ltd.	Utilities expenses, telephone fee and communication service fee etc.	27,283	22,604	45,975	41,877
Fubon Sports & Entertainment Co., Ltd.	Advertisement, stationery and printing, etc.	84,805	63,197	166,782	129,255
Fubon Insurance Co., Ltd.	Marketing expenses, investment property fee, property insurance fee, etc.	43,900	37,741	93,850	73,558
Fubon Financial Holding Venture Capital Co., Ltd.	Dealing position management fee, professional service fee, etc.	7,203	10,535	13,966	27,109
Fubon Insurance Agency Co., Ltd.	Commission expenses	85,826	80,972	175,903	200,316
Fubon Bank (Hong Kong) Limited	Bank charge, commission expenses, etc.	252,061	190,901	568,557	317,287
Hyundai Card Co., Ltd.	Credit card processing fee	6,871	8,419	15,289	18,160
Fubon Asset Management Co., Ltd.	Dealing position management fee	17,220	3,914	27,759	8,185
Star Trade CO., LTD.	Utilities expenses, operation and maintenance expenses, etc.	9,656	2,811	12,347	2,811
Others (related company or person accounts for not more than \$10,000 thousand or 10%)		38,456	21,677	55,986	40,498
Total		<u>\$ 4,075,220</u>	<u>3,065,875</u>	<u>7,611,759</u>	<u>6,704,179</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(p) Insurance Receivable and Insurance Revenue

(1) Insurance receivable

<u>Name of related party</u>	<u>June 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>	<u>June 30,</u> <u>2025</u>
Related parties in substance (individual)	\$ 41,633	25,005	22,431
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	7,822	-	-
Total	<u>\$ 49,455</u>	<u>25,005</u>	<u>22,431</u>

(2) Insurance Revenue

<u>Name of related party</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>	<u>2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 43,461	30,923	75,874	61,837
Taiwan High Speed Rail Corporation	13,120	13,628	26,841	28,057
Fubon Securities Co., Ltd.	15,874	11,463	23,872	23,049
Momo.com Inc.	5,695	7,652	11,299	13,366
Fubon Insurance Co., Ltd.	10,172	10,243	20,364	17,114
Related parties in substance (individual)	206,190	124,668	381,082	318,750
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	28,738	21,502	47,536	40,103
Total	<u>\$ 323,250</u>	<u>220,079</u>	<u>586,868</u>	<u>502,276</u>

Premium rates were calculated in accordance with the relevant provisions of the Insurance Act, and were not materially different from the general trading terms.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(q) Bonds payable and Interest Expense

(1) Bonds payable

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Financial Holding Co., Ltd.	\$ 20,000,000	20,000,000	20,000,000
Hyundai Commercial Inc. (Note)	2,052,900	2,179,800	2,208,800
Total	\$ 22,052,900	22,179,800	22,208,800

Note: Recognized as equity of the Group.

(2) Interest Expense

Name of related party	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Fubon Financial Holding Co., Ltd.	\$ 179,507	179,507	357,041	357,041
Hyundai Commercial Inc.	36,210	38,323	73,121	77,491
Total	\$ 215,717	217,830	430,162	434,532

(r) Leasing

(1) The company rents from related parties

A. Right-of-use assets

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Taipei City Government (Note)	\$ 27,423,220	27,726,579	30,352,306
Fubon REIT I Fund	141,191	140,325	204,310
Fubon REIT II Fund	11,602	18,094	24,688
Fubon Insurance Co., Ltd.	47,078	92,603	137,573
Ming Dong Industrial Co., Ltd.	13,755	16,200	18,336
Related parties in substance (individual)	102,215	119,100	136,257
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	1,859	2,271	-
Total	\$ 27,740,920	28,115,172	30,873,470

Note: Some recognized as investment properties.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

B. Lease liability

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei City Government	\$ 8,200,780	8,125,918	7,996,883
Fubon REIT I Fund	142,547	141,497	203,525
Fubon REIT II Fund	11,384	17,643	23,779
Fubon Insurance Co., Ltd.	46,310	90,826	133,129
Ming Dong Industrial Co., Ltd.	13,869	16,007	18,097
Related parties in substance (individual)	103,085	118,976	134,516
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	1,886	2,283	-
Total	<u>\$ 8,519,861</u>	<u>8,513,150</u>	<u>8,509,929</u>

(2) The company leases to related parties

A. Guarantee deposits

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Taipei Fubon Commercial Bank Co., Ltd.	\$ 12,553	8,986	11,991
Momo.com Inc.	366,998	366,818	62,587
Fubon Insurance Co., Ltd.	41,246	41,246	41,246
Sharehope Medicine Co., Ltd.	17,912	17,912	17,912
LES ENPHANTS CO., LTD.	10,506	10,506	10,506
Fubon Financial Holding Co., Ltd.	15,793	15,793	15,793
Fubon Art Foundation	26,884	26,884	26,884
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	33,332	37,243	37,302
Total	<u>\$ 525,224</u>	<u>525,388</u>	<u>224,221</u>

B. Performance guarantee

<u>Name of related party</u>	<u>June 30, 2026</u>	<u>December 31, 2025</u>	<u>June 30, 2025</u>
Sharehope Medicine Co., Ltd. (Note)	\$ 274,723	273,356	273,356
LES ENPHANTS CO., LTD.	328,378	328,378	372,962
Total	<u>\$ 603,101</u>	<u>601,734</u>	<u>646,318</u>

Note: Sharehope Medicine Co., Ltd. and Taoyuan Min Sheng General Hospital (nonrelated party) jointed for performance bond.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

C. Rental revenue

Name of related party	For the three months ended June 30,		For the six months ended June 30,	
	2026	2025	2026	2025
Fubon Insurance Co., Ltd.	\$ 40,294	40,255	80,548	80,509
Taipei Fubon Commercial Bank Co., Ltd.	12,267	13,808	21,858	27,596
Momo.com Inc.	52,248	52,480	104,427	104,962
Kbro Co., Ltd.	6,151	6,141	12,303	12,282
Sharehope Medicine Co., Ltd.	10,103	10,053	20,181	20,080
Fubon Financial Holding Co., Ltd.	15,228	15,228	30,456	30,456
Ming Dong Industrial Co., Ltd.	6,246	6,246	12,493	12,493
LES ENPHANTS CO., LTD.	10,839	10,524	21,773	21,139
Fubon Art Foundation	12,896	12,767	25,662	25,533
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	20,733	22,158	42,513	44,587
Total	<u>\$ 187,005</u>	<u>189,660</u>	<u>372,214</u>	<u>379,637</u>

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

(s) Acquisition of property and equipment

(1) Transaction of equity instruments:

A. Shares undertaken

Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Century Development Corporation	\$ 512,217	549,257	564,609
China United Insurance Group Co., Ltd.	9,830,976	12,146,251	10,479,507
Star Energy Storage CO., Ltd.	227,281	224,585	221,581
APPWORKS FUND II CO., LTD.	53,101	60,936	69,498
APPWORKS FUND III CO., LTD.	210,686	194,877	242,878
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	2,893	4,771	3,154
Total	<u>\$ 10,837,154</u>	<u>13,180,677</u>	<u>11,581,227</u>

Note: For disclosures of equity method investees, please refer to Note 6(E)

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(2) Transaction of real estate and other assets

A. Purchase

Name of related party	For the six months ended June 30,	
	2026	2025
HD Renewable Energy Co., Ltd. (Note)	\$ -	3,021,858
Star Trade CO., LTD.	11,440	103,940
Concord System Management Corporation	80,492	-
Others (related company or person accounts for not more than \$10,000 thousand or 10%)	260	-
Total	\$ 92,192	3,125,798

Note: Prior to the acquisition of its sub-subsidiary, Sumray Power Company, the Group had purchased from related parties an aggregate amount of NT\$1,749,062 thousand.

(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	\$ 150,301	122,268	266,260	236,062
Post-employment benefits	5,511	5,138	10,446	9,978
Other long-term employee benefits	964	1,207	1,944	2,356
Total	\$ 156,776	128,613	278,650	248,396

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. ASSETS PLEDGED AS SECURITY

Pledged assets are as follows:

Pledged assets	Purpose of pledge	June 30, 2026	December 31, 2025	June 30, 2025
Government bonds (recognized as financial assets measured at FVOCI)	Collaterals for derivatives transactions	\$ 2,841,206	2,052,294	747,013
Asset securitization products (recognized as financial assets measured at FVOCI)	Collaterals for derivatives transactions	595,201	174,384	-
Government bonds (recognized as financial assets measured at amortized costs)	Collaterals for derivatives transactions, bank overdraft	1,041,701	2,001,924	1,119,642
Corporate bonds (recognized as financial assets measured at amortized costs)	Collaterals for derivatives transactions	821,160	871,920	552,200
Checking Deposits (recognized as other financial assets)	Others	19,304	-	30,260
Asset securitization products (recognized as financial assets measured at amortized costs)	Collaterals for derivatives transactions	2,709,828	1,504,062	110,439
Demand deposits (recognized as other financial assets)	Bank loans	231,184	124,417	218,099
Stocks (recognized as investments accounted for using equity method) (Note)	Bank loans	1,298,514	1,296,998	1,294,616
Other equipment (accounted for properties and equipment)	Bank loans	2,904,588	3,010,304	-
Demand deposits (recognized as other assets refundable deposits)	Guarantee deposits and lease deposit (including superficies)	81,211	46,559	34,650
Time deposits (recognized as other assets refundable deposits)	Guarantee deposits for insurance business, superficies and new construction	1,370,647	1,370,361	1,369,464
Government bonds (recognized as other assets refundable deposits)	Guarantee deposits for insurance business	17,236,758	17,290,238	17,211,730
Total		<u>\$ 31,151,302</u>	<u>29,743,461</u>	<u>22,688,113</u>

Note : The subsidiary, Fubon Green Power, pledged its shares held in its sub-subsidiary as collateral. This transaction had already been eliminated during the preparation of the consolidated financial statements.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. COMMITMENTS AND CONTINGENCIES

(A) The Group have contingent liabilities of lawsuits arising from daily operating activities. Other than cases which have already made provision, several lawsuits are still in process and appointed to Group's legal affairs department or lawyers. The Group will recognize relevant losses when professional opinions and reasonable estimated loss are available.

(B) Significant unrecognized commitments

(a) The Group's signed but unrecognized new construction contracts of investment and owner-occupied properties and equipment are as follow:

	June 30, 2026	December 31, 2025	June 30, 2025
New construction contracts	\$ 47,721,633	39,833,719	45,436,044
Equipments	672,857	684,869	1,596,132
Total	<u>\$ 48,394,490</u>	<u>40,518,588</u>	<u>47,032,176</u>

(b) The Group's signed but unrecognized renovation and refurbishment contracts of foreign properties are as follow (in thousands):

	June 30, 2026	December 31, 2025	June 30, 2025
EUR	\$ <u>6,221</u>	<u>16,526</u>	<u>30,049</u>
GBP	\$ <u>618</u>	<u>2,986</u>	<u>10,095</u>

(C) The Group signed private fund contracts. The maximum amount of investment commitments that has not been funded is (in thousands):

	June 30, 2026	December 31, 2025	June 30, 2025
USD	\$ <u>4,396,315</u>	<u>3,754,585</u>	<u>3,827,722</u>
EUR	\$ <u>701,179</u>	<u>619,681</u>	<u>678,724</u>
KRW	\$ <u>92,699,546</u>	<u>103,281,690</u>	<u>77,843,311</u>
NTD	\$ <u>458,106</u>	<u>592,031</u>	<u>547,713</u>

Note: The unfunded commitments excluded unsettled trades.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (D) In the joint investment contract signed by the Group, the total amount of committed investment that has not yet been invested is capped at:

Investor Company	Investee Company	June 30, 2026	December 31, 2025	June 30, 2025
Fubon Life Insurance Co., Ltd.	Aquastar Energy Corporation	\$ 68,070	68,070	232,020
Fubon Life Insurance Co., Ltd.	Whole Max Green Power Co., Ltd.	-	-	150,000
Fubon Life Insurance Co., Ltd.	Fubon Green Power CO., LTD.	5,250,000	5,250,000	5,250,000
Fubon Life Insurance Co., Ltd.	Star Shining 2 Energy Corporation	379,500	709,500	-
		<u><u>\$ 5,697,570</u></u>	<u><u>6,027,570</u></u>	<u><u>5,632,020</u></u>

- (E) In the irrevocable loan contract signed by the Group for operating credit business, the undrawn loan commitment amount was as follows:

	June 30, 2026	June 30, 2025	June 30, 2025
The undrawn loan commitment amount	\$ -	<u><u>1,534,395</u></u>	<u><u>3,963,346</u></u>

- (F) In June 2024, the subsidiary, Fubon Green Power, entered into a 10-year operation and management consulting agreement with HD Renewable Energy Co., Ltd. for the provision of consulting services related to operation and management of solar and energy storage power stations (plants). Since the service fees are based on the final installed capacity of the plants, the amount cannot be reliably measured at this time.
- (G) As of June 30, 2026, the subsidiary, Fubon Green Power, issued a letter of support to the financial institution in connection with the sub-subsidiary, Sumray Power Company's application for a financing facility of \$2,590,000 thousand. The purpose of the support letter is to encourage Sumray Power Company to fulfill its financial obligations.

10. LOSSES DUE TO MAJOR DISASTERS: None.

11. SUBSEQUENT EVENTS

- (A) On July 2, 2026, the Company was approved by the MOEA with Letter No. Jing-Shou-Shen-Zi 11520064280 to execute the capital injection of Fubon MTL Property (Jersey) Limited, using the loan principal amount of GBP 143,475 thousand as consideration. The capital increase procedures are expected to be completed in the third quarter.
- (B) On July 20, 2026, the Company was approved by the FSC with Letter No. Jin-Guan-Bao-Shou-Zi 1150424901 to execute the cash capital injection of Bow Bells House (Jersey) Limited with an amount of GBP 8,600 thousand. The Company will apply to the Department of Investment Review, MOEA for approval.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (C) On July 27, 2026, Fubon Life Singapore Pte. Ltd., a wholly-owned offshore financing subsidiary of the Company, completed the issuance of USD 350 million 15-year unsecured cumulative subordinated bonds (non-callable for the first 10 years), which are fully guaranteed by the Company, with the proceeds intended to replenish the Company's working capital, strengthen its financial position and capital structure, and enhance its capital adequacy.
- (D) On August 14, 2026, the Board of Directors of the Company approved the proposed early redemption of the Company's 2016 First Issue Perpetual Cumulative Subordinated Corporate Bonds. Pursuant to the terms and conditions of the bonds, the bonds will be redeemed in full at par in an aggregate principal amount of NTD 28.5 billion, together with accrued and unpaid interest. The Company will subsequently apply to the Insurance Bureau of the FSC for approval.

12. OTHER

- (A) Personnel expenses, depreciation and amortization for the periods ended June 30, 2026 and 2025 are categorized by function as follows:

Units: NT\$'000

Function	For the three months ended June 30,							
	2026				2025			
	Operating Costs	Operating Expenses	Operating Expenses	Total	Operating Costs	Operating Expenses	Operating Expenses	Total
Nature								
Employees Benefits								
Salaries and wages	2,486,295	1,630,488	1,795,026	5,911,809	2,645,479	1,805,754	883,535	5,334,768
Labor and health insurance	14,859	400,653	62,924	478,436	14,044	410,062	47,355	471,461
Pension	10,439	209,907	34,305	254,651	11,119	226,829	26,991	264,939
Remuneration of directors	-	-	15,464	15,464	-	-	13,263	13,263
Others	937,786	37,837	282,727	1,258,350	528,973	39,566	173,237	741,776
Depreciation	7,919	87,041	324,327	419,287	9,570	128,638	225,805	364,013
Amortization	467	5,171	110,434	116,072	601	3,153	99,281	103,035

Function	For the six months ended June 30,							
	2026				2025			
	Operating Costs	Operating Expenses	Operating Expenses	Total	Operating Costs	Operating Expenses	Operating Expenses	Total
Nature								
Employees Benefits								
Salaries and wages	6,294,289	3,211,205	2,819,612	12,325,106	6,134,042	3,406,026	1,764,736	11,304,804
Labor and health insurance	27,923	786,008	128,948	942,879	28,296	800,636	105,452	934,384
Pension	21,204	409,035	65,856	496,095	22,281	445,465	54,440	522,186
Remuneration of directors	-	-	31,303	31,303	-	-	25,988	25,988
Others	1,550,653	86,359	474,362	2,111,374	886,975	87,678	305,039	1,279,692
Depreciation	15,736	173,582	647,687	837,005	15,928	249,583	446,241	711,752
Amortization	922	9,868	219,017	229,807	1,175	6,503	200,335	208,013

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (B) When conducting business or transaction, joint business promotion as well as information and facilities sharing with Fubon Financial Holdings Co., Ltd. and other subsidiaries, the Group is using a direct allocation method based on the business characteristic or other reasonable methods to allocate income, cost, expense and profit or loss to each counterparty.
- (C) The borrowing that meets cash flow arising from payment of major insurance claims: None.
- (D) The details of the market values of investments which were held for investment purpose by the discretionary investment trust fund, refer to Note 6(B)(b).
- (E) The information of discontinued operations: None.
- (F) The adjustment of significant units and significant reform of management regulation: None.
- (G) The significant impact due to variation of government rules: None.
- (H) Since Russia launched an invasion of Ukraine in February 2022, Russia was subject to severe international sanctions, and international credit rating agencies downgraded the credit rating for Russian bonds. The Group is closely monitoring and evaluating the credit risk of Russian bonds, the relevant bonds' ability to pay interest and principal and will continuously evaluate the credit risk and recognize the expected credit loss associated to the risk.

13. OTHER DISCLOSURES

(A) Information on Significant Transactions:

In accordance with “the Regulations,” the Group disclosed the information on significant transactions for the six months end June 30, 2026 as follows:

(a) Acquisition of real property over \$100,000 thousand or 20% of capital :

Units:\$'000

Acquiring Company	Property Name	Occurrence Date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as counterparty is a related party.				Reference for price	Purpose and usage	other
							Owner	Relations with the issuer	Transfer Date	Amount			
Fubon Life Insurance Co., Ltd.	New-build program of the northern base of Chengde Building	2012.03.09~2026.05.27	2,992,287	Payment based on construction progress	Dehwa Construction Co., Ltd., Da-Link Architects and Associates, etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government
Fubon Life Insurance Co., Ltd.	New-build program (urban renewal) of the southern base of Chengde Building	2012.03.09~2026.04.10	198,720	Payment based on construction progress	QlabArchitects, etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government
Fubon Life Insurance Co., Ltd.	New-build program in Yucheng Section of Nangang District	2020.06.23~2025.12.31	15,061,954	Payment based on construction progress	Dehwa Construction Co., Ltd., SGM STONE CO., LTD., etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Acquiring Company	Property Name	Occurrence Date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as counterparty is a related party.				Reference for price	Purpose and usage	other
							Owner	Relations with the issuer	Transfer Date	Amount			
Fubon Life Insurance Co., Ltd.	New-build program of the superficies beside Aozihdi Station in Kaohsiung	2018.04.20~2026.03.24	38,310,923	Payment based on construction progress	Samsung C&T corporation Taiwan Branch-Korea, Formosa Builders, Inc., etc.	Not related party	-	-	-	-	Comparison, negotiation, and administrative tax and fee	Investment Property and owner-occupied property	
Fubon Life Insurance Co., Ltd.	New-build program (urban renewal) in Dunhua Section of Songshan District	2021.03.11~2025.12.22	931,160	Payment based on construction progress	HCCH & Associates Architects Planners & Engineers, etc.	Including related party and unrelated party	Not applicable	Not applicable	Not applicable	-	Comparison, negotiation, and administrative tax and fee	Investment Property	Transactions including the administrative tax and fee from related party Taipei City Government
Fubon Life Insurance Co., Ltd.	New-build program for development case of Hsinchu Hukou	2022.09.20~2026.06.30	13,674,101	Payment based on construction progress	Yung Ching Construction Co., Ltd., etc.	Not related party	-	-	-	-	Comparison, negotiation, and administrative tax and fee	Investment Property	
Fubon Ellipse(Belgium) S.A.	Ellipse Building	2024.07.05~2026.06.29	1,839,979 (EUR 50,736 thousand)	Request payment by installments as stipulated in the contract	Whitewood Capital NV, BERGER-TPF, CIT Blaton SA, SRL BUREAU DETUDES PS2, Allianz Benelux S.A., Baloise Belgium S.A., MS Amlin Insurance SE, Sibelga	Not related party	-	-	-	-	Negotiation	Refurbishment of foreign properties	
Bow Bells House(Jersey) Ltd.	Bow Bells House	2024.09.06~2026.06.08	548,705 (GBP 13,026 thousand)	Request payment by installments as stipulated in the contract	Fabrix London Limited, Castle Hayes Pursey LLP, IKON Group Limited, Arup International Projects Limited, Aon UK Limited, Structural UK Limited	Not related party	-	-	-	-	Negotiation	Refurbishment of foreign properties	

(b) Disposal of real property over \$100,000 thousand or 20% of capital :

Units:\$'000												
Disposing Company	Property Name	Occurrence Date	Original Acquiring Date	Carrying Amount	Amount (Note)	Received Details	Gain on Disposal of Property (Note)	Counterparty	Relationship	Purpose	Reference for price	Other
Fubon Hyundai Life Insurance Co., Ltd.	Daejeon Land and Building	2025.12.19	2013.03.12	KRW 14,597,205 thousand (approximately TWD 299,666 thousand)	KRW 15,000,000 thousand (approximately TWD 307,935 thousand)	Collect installment payments as contract	KRW 402,795 thousand (approximately TWD 8,269 thousand)	Raon Medical Holdings LLC	Not related party	Realize profits and optimize asset allocation	Price negotiation	None

Note: The amount represents the total contract price. The transaction costs and the value-added tax are excluded.

- (c) Sales and purchase with related party over \$100,000 thousand or 20% of capital : Please refer to Note 7 and 13(A)(f).
- (d) Accounts receivable with related party over \$100,000 thousand or 20% of capital: Please refer to Note 7.
- (e) Information on derivative transactions : Please refer to Note 6(B), (C), (AF) and (AG).

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(f) Business relationship and significant transactions with the subsidiaries:

No	Company	Counterparty	Relationship	Transaction details			
				Accounts	Amount	Trading terms	Percentage ratio against total operating income or total assets
0	Fubon Life Insurance Co., Ltd.	Fubon Life Insurance (Hong Kong) Company Limited	1	Receivables	4,738	Same as non related-party transactions	0.00 %
0	Fubon Life Insurance Co., Ltd.	Fubon Life Insurance (Hong Kong) Company Limited	1	Non-operating income & expense	16,217	Same as non related-party transactions	0.03 %
0	Fubon Life Insurance Co., Ltd.	Carter Lane (Guernsey) Limited	1	Receivables	115,575	Same as non related-party transactions	0.00 %
0	Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	1	Loans	8,571,217	Same as non related-party transactions	0.13 %
0	Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	1	Receivables	628,356	Same as non related-party transactions	0.01 %
0	Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	1	Interest Income	285,003	Same as non related-party transactions	0.52 %
0	Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg)S. à r.l.	1	Loans	11,006,622	Same as non related-party transactions	0.17 %
0	Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg)S. à r.l.	1	Receivables	52,138	Same as non related-party transactions	0.00 %
0	Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg)S. à r.l.	1	Interest income	104,271	Same as non related-party transactions	0.19 %

Note1: Each number represents the following definitions:

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

Note2: Transaction relationship is as follows:

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

(B) Information on Investees:

(a) Disclosure on business investments for the six months ended June 30, 2026 is as follows:

Units:NTS'000											
Investor Company	Investee Company	Location	Major Business	Original Investment		Held by the Company			Income (losses) of investee company	Income (losses) recognized from investee company	Note
				Period-end	End of prior year	Shares	Percentage (%)	Book Value			
Fubon Life Insurance Co., Ltd.	Fubon Life Insurance (Vietnam) Co., Ltd.	Hanoi Vietnam	Life insurance business	2,153,217	2,153,217	-	100.00 %	1,621,526	(3,766)	(3,766)	Subsidiary Note 1
Fubon Life Insurance Co., Ltd.	Fubon Life Insurance (Hong Kong) Company Limited	Hong Kong	Life insurance business	12,985,410	12,985,410	3,275,000,000	100.00 %	12,360,913	595,886	595,886	Subsidiary Note1
Fubon Life Insurance Co., Ltd.	Fubon Hyundai Life Insurance Co., Ltd.	Korea	Life insurance business	48,257,377	48,257,377	393,834,047	88.50 %	35,223,432	3,215,731	2,763,500	Subsidiary Note 1
Fubon Life Insurance Co., Ltd.	Fubon Green Power CO., LTD.	ROC	Energy technology service	3,000,000	3,000,000	300,000,000	74.98 %	2,952,963	(19,999)	(15,741)	Subsidiary Note 1
Fubon Life Insurance Co., Ltd.	Fubon Life Singapore Pte. Ltd.	Singapore	Financing business	1,220,200	1,220,200	40,000,000	100.00 %	1,194,208	(18,133)	(18,133)	Subsidiary Note 1

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Investor Company	Investee Company	Location	Major Business	Original Investment		Held by the Company			Income (losses) of investee company	Income (losses) recognized from investee company	Note
				Period-end	End of prior year	Shares	Percentage (%)	Book Value			
Fubon Life Insurance Co., Ltd.	Carter Lane (Guernsey) Limited	Guernsey	Rental property business	5,168,344	5,168,344	84,845,118	100.00 %	3,923,238	273,307	273,307	Subsidiary Note 1 Note 2 Note 4
Fubon Life Insurance Co., Ltd.	Bow Bells House (Jersey) Limited	Jersey	Rental property business	8,616,460	8,616,460	208,080,931	100.00 %	5,881,693	359,068	359,068	Subsidiary Note 1 Note 2 Note 4
Fubon Life Insurance Co., Ltd.	Fubon MTL Property (Jersey) Limited	Jersey	Rental property business	4,708,389	4,708,389	92,581,000	100.00 %	5,391,537	(127,858)	(127,858)	Subsidiary Note 1 Note 2 Note 4
Fubon Life Insurance Co., Ltd.	Fubon Ellipse (Belgium) S.A.	Brussels Belgium	Rental property business	8,985,260	8,985,260	14,571,493	100.00 %	6,946,939	(367,388)	(367,388)	Subsidiary Note 1 Note 3 Note 4
Fubon Life Insurance Co., Ltd.	Fubon Eurotower (Luxembourg) S. à r.l.	Luxembourg	Rental property business	7,727,154	7,727,154	219,997	100.00 %	(3,413,235)	(537,895)	(537,895)	Subsidiary Note 1 Note 4 Note 5
Fubon Green Power CO., LTD.	Li Tong Management Consulting Co., Ltd.	ROC	Energy technology service	1,292,000	1,292,000	129,649,324	100.00 %	1,298,514	1,516	1,516	Sub-subsidiary Note 1
Fubon Green Power CO., LTD.	Sumray Power Company	ROC	Energy technology service	776,587	776,587	75,000,000	100.00 %	738,854	(13,318)	(13,318)	Sub-subsidiary Note 1
Fubon Life Insurance Co., Ltd.	CITIC Capital Holdings Limited	Hong Kong	Holding company	7,046,304	7,046,304	13,979,798	18.00 %	8,187,693	151,560	(335,080)	Affiliate company
Fubon Life Insurance Co., Ltd.	Hyundai Card Co., Ltd.	Korea	Credit Card Business	5,156,803	5,156,803	16,046,528	10.00 %	8,534,556	3,583,552	359,094	Affiliate company
Fubon Life Insurance Co., Ltd.	Fubon Financial Holding Venture Capital Co., Ltd.	ROC	Venture capital service	1,979,650	1,979,650	315,554,902	25.00 %	3,687,927	1,044,361	263,050	Affiliate company
Fubon Life Insurance Co., Ltd.	Star River Energy Co., Ltd.	ROC	Energy technology service	788	157,502	78,750	20.00 %	49,435	143,317	28,664	Affiliate company
Fubon Life Insurance Co., Ltd.	Star Shining Energy Holdings Corporation	ROC	Energy technology service	2,100,000	2,400,000	21,000,000	30.00 %	2,348,544	259,637	83,301	Affiliate company
Fubon Life Insurance Co., Ltd.	Whole Max Green Power Co., Ltd.	ROC	Energy technology service	627,000	627,000	62,700,000	30.00 %	644,678	22,032	6,678	Affiliate company
Fubon Life Insurance Co., Ltd.	Sinergy 1st Co., Ltd.	ROC	Energy technology service	300,000	300,000	30,000,000	30.00 %	301,847	10,380	3,114	Affiliate company
Fubon Life Insurance Co., Ltd.	Aquastar Energy Corporation	ROC	Energy technology service	1,073,430	1,073,430	107,343,000	30.00 %	1,077,454	(4,286)	(1,286)	Affiliate company
Fubon Life Insurance Co., Ltd.	Star Shining 2 Energy Corporation	ROC	Energy technology service	610,500	280,500	61,050,000	33.00 %	611,429	341	113	Affiliate company
Fubon Hyundai Life Insurance Co., Ltd.	Leaders AssetAdvisors Co., Ltd.	Korea	Insurance Agency Company	212,312	-	248,629	14.99 %	205,292	-	-	Affiliate company Note 6

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Note 1: Write off under consolidated financial statements.

Note 2: Investment properties are located in London, England.

Note 3: Investment property is located in Brussels, Belgium.

Note 4: Investee does not have external debts, act as guarantor or provide its assets as collateral for debts of external parties. Except being pledged as collateral for its shareholder loan, the ownership of its property is not subject to restrictions.

Note 5: Investment Property is located in Frankfurt, Germany.

Note 6: The equity in Leaders Asset Advisors Co., Ltd. was acquired on May 26, 2026; please refer to Note 6(E) for details.

(b) Loans to other parties:

Units:NT\$'000																
Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transactio n amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Whole Max Green Power Co., Ltd.	Mingxiang Energy Co., Ltd.	Other accounts receivable - related parties	Yes	45,000	45,000	45,000	-	2	-	Operating turnover	-	None	-	-	-
2	Sinergy 1st Co., Ltd.	X3 Energy Co., Ltd.	Temporary payments	Yes	75,000	75,000	75,000	2.00 %	2	-	Pay rental interest	-	None	-	-	-
2	Sinergy 1st Co., Ltd.	Bonya Co., Ltd.	Temporary payments	Yes	4,200	4,200	4,200	2.00 %	2	-	Pay rental interest	-	None	-	-	-
3	Star Shining Energy Co., Ltd.	Fargen Power Corporation	Other accounts receivable - related parties	Yes	400,000	250,000	50,000	1.90%	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
3	Star Shining Energy Co., Ltd.	TronGen Power Corporation	Other accounts receivable - related parties	Yes	100,000	100,000	-	Note 4	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
3	Star Shining Energy Co., Ltd.	Ri Ji Power Corporation	Other accounts receivable - related parties	Yes	100,000	100,000	-	Note 4	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
3	Star Shining Energy Co., Ltd.	Sheng Li Energy Corporation	Other accounts receivable - related parties	Yes	190,000	190,000	190,000	1.89%	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
3	Star Shining Energy Co., Ltd.	He Shuo Agricultural Biotech Corporation	Other accounts receivable - related parties	Yes	180,000	20,000	-	Note 4	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
3	Star Shining Energy Co., Ltd.	ChampionGen Power Corporation	Other accounts receivable - related parties	Yes	100,000	100,000	70,000	1.86% ~1.89%	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
3	Star Shining Energy Co., Ltd.	Sheng Yao Power Corporation	Other accounts receivable - related parties	Yes	150,000	150,000	140,000	1.85% ~1.86%	2	-	Operating turnover	-	None	-	2,916,389	2,916,389
4	Aquastar Energy Corporation	Ri Yun Green Co., Ltd.	Other accounts receivable - related parties	Yes	106,000	106,000	85,000	2.72 %	2	-	Operating turnover	-	None	-	359,151	1,436,605
5	Yunn Deng Green Co., Ltd.	Ri Yun Green Co., Ltd.	Other accounts receivable - related parties	Yes	28,000	28,000	22,000	2.72 %	2	-	Operating turnover	-	None	-	40,837	163,347

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Number (Note 1)	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 3)	Transactio n amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
6	Wen Deng Green Co., Ltd.	Ri Yun Green Co., Ltd.	Other accounts receivable - related parties	Yes	115,000	115,000	101,000	2.72 %	2	-	Operating turnover	-	None	-	55,041	220,162

Note 1 : Serial number is determined as follows:

(1) 0 represents parent company.

(2) Subsidiaries are numbered in a sequence of Arabic numerals from 1 based on company category.

Note 2 : Those ending balances are effective credit/amount as of the reporting date.

Note 3 : The natures of loans are determined as follows:

(1) Please fill 1 if the category belongs to business relation.

(2) Please fill 2 if the category belongs to short-term loan.

Note 4 : Short-term funding costs have increased by 30 basis points.

(c) Guarantees and endorsements for other parties

Units:NT\$'000

No. (Note 1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 6 to 10)	Highest balance for guarantees and endorsements during the period (Note 3)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements (Note 4)	Maximum amount for guarantees and endorsements (Note 6 to 10)	Parent company endorsements /guarantees to third parties on behalf of subsidiary (Note 5)	Subsidiary endorsements /guarantees to third parties on behalf of parent company (Note 5)	Endorsements /guarantees to third parties on behalf of companies in Mainland China (Note 5)
		Name	Relationship with the Company (Note 2)										
1	Fubon GreenPower CO.,LTD.	Li Tong Management Consulting Co., Ltd.	2	3,943,074	1,298,514	1,298,514	1,298,514	1,298,514	32.93 %	15,772,295	N	N	N
2	Whole Max Green Power Co., Ltd.	Yuandeng Solar Energy Co., Ltd.	2	None	8,005	8,005	5,337	None	0.37 %	None	N	N	N
2	Whole Max Green Power Co., Ltd.	Tai Ling Energy Technology Corporation	2	None	109,930	109,930	83,310	None	5.12 %	None	N	N	N
2	Whole Max Green Power Co., Ltd.	Mingxiang Energy Co., Ltd.	2	None	282,860	282,860	87,800	None	13.16 %	None	N	N	N
2	Whole Max Green Power Co., Ltd.	Yijia Energy Co., Ltd.	2	None	129,600	129,600	13,943	None	6.03 %	None	N	N	N
2	Whole Max Green Power Co., Ltd.	Jin Ya Xing Optoelectronics Co., Ltd.	2	None	600,000	-	-	None	-	None	N	N	N
3	Star River Energy Co., Ltd.	Evergen Power Corporation	2	247,177	1,000	-	-	None	-	247,177	N	N	N
3	Star River Energy Co., Ltd.	Sungen Power Corporation	2	247,177	1,000	-	-	None	-	247,177	N	N	N
4	Star Shining Energy Co., Ltd.	Fargen Power Corporation	2	58,327,784	1,000	1,000	633	None	0.01 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	TronGen Power Corporation	2	58,327,784	1,000	1,000	197	None	0.01 %	58,327,784	N	N	N

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

No. (Note 1)	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 6 to 10)	Highest balance for guarantees and endorsements during the period (Note 3)	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements (Note 4)	Maximum amount for guarantees and endorsements (Note 6 to 10)	Parent company endorsements /guarantees to third parties on behalf of subsidiary (Note 5)	Subsidiary endorsements /guarantees to third parties on behalf of parent company (Note 5)	Endorsements /guarantees to third parties on behalf of companies in Mainland China (Note 5)
		Name	Relationship with the Company (Note 2)										
4	Star Shining Energy Co., Ltd.	Sheng Li Energy Corporation	2	58,327,784	25,645	25,645	24,686	None	0.35 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	Ri Ji Power Corporation	2	58,327,784	40,479	40,479	39,704	None	0.56 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	ChampionGen Power Corporation	2	58,327,784	71,200	71,200	70,402	None	0.98 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	Sheng Feng Power Corporation	2	58,327,784	1,000	1,000	21	None	0.01 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	Mao Xin Energy Corporation	2	58,327,784	5,767,955	5,767,955	5,766,976	None	79.11 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	Mao Zheng Energy Corporation	2	58,327,784	6,824,500	6,824,500	6,823,521	None	93.60 %	58,327,784	N	N	N
4	Star Shining Energy Co., Ltd.	Ri Jing Power Corporation	2	58,327,784	1,000	1,000	86	None	0.01 %	58,327,784	N	N	N
5	Aquastar Energy Corporation	Ri Yun Green Co., Ltd.	2	2,089,000	2,089,000	2,089,000	1,984,550	638,250	58.16 %	2,089,000	N	N	N
5	Aquastar Energy Corporation	Xin Sheng Energy Develop Co., Ltd.	2	7,000,000	7,000,000	7,000,000	5,251,000	1,887,556	194.90 %	7,000,000	N	N	N
5	Aquastar Energy Corporation	Yunn Deng Green Co., Ltd.	2	1,425,700	1,425,700	1,425,700	831,600	409,208	39.70 %	1,425,700	N	N	N
6	Star Shining 2 Energy Corporation	Evergen Power Corporation	2	3,705,631	1,000	1,000	110	-	0.05 %	3,705,631	N	N	N
6	Star Shining 2 Energy Corporation	Sungen Power Corporation	2	3,705,631	1,000	1,000	-	-	0.05 %	3,705,631	N	N	N

Note 1 : Serial number is determined as follows:

- (1) 0 represents parent company.
- (2) Subsidiaries are numbered in a sequence of Arabic numerals from 1 based on company category.

Note 2 : Relationship with the endorsed/guaranteed is classified into the 7 categories below, denoted with numbers:

- (1) Business that the Company has business dealing with.
- (2) A company in which the Company holds, directly or indirectly, more than 50% of the voting shares.
- (3) The company directly or indirectly holds more than 50% of the voting shares of the company.
- (4) Between companies in which the Company directly or indirectly holds more than 90% of the voting shares.
- (5) Companies that require mutual guarantees of companies in the same industry or co-builders in accordance with the contract for the needs of contracting projects.
- (6) A company to which all contributing shareholders endorse and guarantee in accordance with their shareholding ratios for joint investment.
- (7) Peer of a property pre-sale contract for which the Company has issued performance guarantee in accordance with the Consumer Protection Act.

Note 3 : The balance is the maximum amount endorsed/guaranteed to others during the period.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- Note 4 : The net worth of the latest financial statements of Fubon Green Power has been audited by the certified public accountant, while that of Whole Max Green Power Co., Ltd., Star River Energy Co., Ltd., Star Shining Energy Co., Ltd., Aquastar Energy Corporation, and Star Shining 2 Energy Corporation is based on self-prepared financial statements and has not been audited by the certified public accountant.
- Note 5 : Parent company endorsements/guarantees to third parties on behalf of subsidiaries, subsidiary endorsements/guarantees to third parties on behalf of parent company, and endorsements/guarantees to third parties on behalf of companies in Mainland China should be Y.
- Note 6 : The amount of endorsement and guarantee that Fubon Green Power may provide to a single entity shall not exceed 100% of its net worth. The aggregate amount of endorsement and guarantee provided by Fubon Green Power shall not exceed 400% of its net worth.
- Note 7 : The cumulative amount of endorsements and guarantees that Star River Energy Co., Ltd. and its subsidiaries may provide to others is limited to the net worth of Star River Energy Co., Ltd. The amount of endorsements and guarantees that Star River Energy Co., Ltd. and its subsidiaries may provide to a single company is limited to the net worth of Star River Energy Co., Ltd.
- Note 8 : The cumulative amount of endorsement guarantees that Star Shining Energy Co., Ltd. and its subsidiaries may provide to others shall not exceed eight the amount Star Shining Energy Co., Ltd.'s net worth. The total amount of endorsements and guarantees that Star Shining Energy Co., Ltd. and its subsidiaries may provide to a single company shall not exceed eight the amount of Star Shining Energy Co., Ltd.'s net worth.
- Note 9 : The amount and maximum limit of endorsement and guarantee provided by Aquastar Energy Corporation to a single entity shall correspond to the financing amounts of Ri Yun Green Co., Ltd., Xin Sheng Energy Develop Co., Ltd. and Yunn Deng Green Co., Ltd.
- Note 10 : The cumulative amount of endorsement guarantees that Star Shining 2 Energy Corporation and its subsidiaries may provide to others shall not exceed twice the amount Star Shining 2 Energy Corporation's net worth. The total amount of endorsements and guarantees that Star Shining 2 Energy Corporation and its subsidiaries may provide to a single company shall not exceed twice the amount of Star Shining 2 Energy Corporation's net worth.

(d) Marketable securities held as of March 31, 2026:

Units:NT\$'000

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
Fubon Green Power CO., LTD.	Stock							
	Li Tong Management Consulting Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	129,649,324	1,298,514	100.00 %	1,298,514	
Whole Max Green Power Co., Ltd.	Sumray Power Company	Parent-subsiary	Investments accounted for using equity method	75,000,000	738,854	100.00 %	738,854	
	Stock							
	Yuangeng Solar Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	14,000,000	195,385	100.00 %	195,385	
	Giga Whole Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	1,889,000	32,271	100.00 %	32,271	
	Whole Wing Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	6,839,000	63,036	100.00 %	63,036	
	Whole Fund Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	1,760,000	18,907	100.00 %	18,907	
	Hunjin Enterprise Inc.	Parent-subsiary	Investments accounted for using equity method	2,000,000	24,304	100.00 %	24,304	
	Ya Fei Solar Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	12,657,000	152,891	100.00 %	152,891	
	Huiqun Energy Co., Ltd	Parent-subsiary	Investments accounted for using equity method	5,000,000	55,110	100.00 %	55,110	
	Yijia Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	7,340,000	84,927	100.00 %	84,927	
	Licheng Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	4,100,000	46,755	100.00 %	46,755	
	Tai Ling Energy Technology Corporation	Parent-subsiary	Investments accounted for using equity method	3,625,000	35,541	100.00 %	35,541	
	Yunhui Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	1,000,000	3,290	99.71 %	3,290	
	Jin Ya Xing Optoelectronics Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	20,000,000	200,525	100.00 %	200,525	

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Name of holder	Category and name of security	Relationship with company	Account	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership (%)	Fair value	
Sinergy 1st Co., Ltd.	Mingxiang Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	8,100,000	81,582	100.00 %	81,582	
	Heju No. 1 Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	25,100,000	250,918	100.00 %	250,918	
	Dekang Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	20,410,000	205,544	100.00 %	205,544	
	<u>Stock</u>							
	X3 Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	20,000,000	205,307	100.00 %	205,307	
AquaStar Energy Corporation	Bonya Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	300,000	(1,109)	100.00 %	(1,109)	
	<u>Stock</u>							
	Ri Yun Green Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	64,100,000	638,250	100.00 %	638,250	
	Yunn Deng Green Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	40,900,000	409,208	100.00 %	409,208	
Star Shining 2 Energy Corporation	Wen Deng Green Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	54,950,000	551,098	100.00 %	551,098	
	Xin Sheng Energy Develop Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	188,460,000	1,887,556	100.00 %	1,887,556	
	<u>Stock</u>							
	Star Shining Wind Power Corporation	Parent-subsiary	Investments accounted for using equity method	7,427,917	741,928	95.00 %	741,928	
	Sungen Power Corporation	Parent-subsiary	Investments accounted for using equity method	47,810,859	764,000	100.00 %	764,000	
Star Shining Energy Holdings Corporation	Evergen Power Corporation	Parent-subsiary	Investments accounted for using equity method	22,030,000	270,000	100.00 %	270,000	
	<u>Stock</u>							
Star Shining Energy Co., Ltd.	Star Shining Energy Co., Ltd.	Parent-subsiary	Investments accounted for using equity method	680,000,000	7,290,973	100.00 %	7,290,973	
	<u>Stock</u>	Parent-subsiary	Investments accounted for using equity method					
	Fargen Power Corporation	Parent-subsiary	Investments accounted for using equity method	48,200,000	575,882	100.00 %	575,882	
	TronGen Power Corporation	Parent-subsiary	Investments accounted for using equity method	18,500,000	226,481	100.00 %	226,481	
	Sheng Li Energy Corporation	Parent-subsiary	Investments accounted for using equity method	70,800,000	795,468	100.00 %	795,468	
	ChampionGen Power Corporation	Parent-subsiary	Investments accounted for using equity method	52,250,000	606,499	100.00 %	606,499	
	Ri Ji Power Corporation	Parent-subsiary	Investments accounted for using equity method	30,000,000	313,852	100.00 %	313,852	
	Ri Jing Power Corporation	Parent-subsiary	Investments accounted for using equity method	10,000,000	102,114	100.00 %	102,114	
	Mao Zheng Energy Corporation	Parent-subsiary	Investments accounted for using equity method	140,000,000	1,566,475	100.00 %	1,566,475	
	Mao Xin Energy Corporation	Parent-subsiary	Investments accounted for using equity method	110,000,000	1,191,014	100.00 %	1,191,014	
	Sheng Yao Power Corporation	Parent-subsiary	Investments accounted for using equity method	100,000	5	100.00 %	5	
	Sheng Da Power Corporation	Parent-subsiary	Investments accounted for using equity method	100,000	387	100.00 %	387	
	He Shuo Agricultural Biotech Corporation	Parent-subsiary	Investments accounted for using equity method	20,600,000	196,635	100.00 %	196,635	
	Shin Sheng Feng Investment Corp.	Parent-subsiary	Investments accounted for using equity method	63,407,250	807,904	75.00 %	807,904	

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(e) Cumulative purchase or sale of the same investee's marketable security up to \$100,000 thousand or 20% of paid-in capital :

Units:NT\$'000

Name of Company	Category and name of security	Account	Name of counter-party	Relationship with the Company	Beginning balance		Purchases		Sales				Ending balances	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Cost (Note 3)	Disposal gain or loss (Note 4)	Shares/Units	Amount
Star Shining 2 Energy Corporation	Stock													
	Star Shining Wind Power Corporation	Investments accounted for using equity method	Star Shining Wind Power Corporation	Parent-subsiary	14,250	1,372	7,413,667	740,556 (Note 1)	-	-	-	-	7,427,917	741,928
	Sungen Power Corporation	Investments accounted for using equity method	Star River Energy Co., Ltd.	Related party	-	-	47,810,859	764,000	-	-	-	-	47,810,859	764,000
	Evergen Power Corporation	Investments accounted for using equity method	Star River Energy Co., Ltd.	Related party	-	-	22,030,000	270,000	-	-	-	-	22,030,000	270,000
Whole Max Green Power Co., Ltd.	Stock													
	Dekang Energy Co., Ltd.	Investments accounted for using equity method	Dekang Energy Co., Ltd.	Parent-subsiary	10,410,000	105,345	10,000,000	100,199 (Note 2)	-	-	-	-	20,410,000	205,544
Star River Energy Co., Ltd.	Stock													
	Sungen Power Corporation	Investments accounted for using equity method	Star Shining 2 Energy Corporation	Related party	47,810,859	662,025	-	-	47,810,859	764,000	643,211	118,497	-	-
	Evergen Power Corporation	Investments accounted for using equity method	Star Shining 2 Energy Corporation	Related party	22,030,000	284,888	-	-	22,030,000	270,000	277,643	(8,454)	-	-
Star Shining Energy Co., Ltd.	Stock													
	He Shuo Agricultural Biotech Corporation	Investments accounted for using equity method	He Shuo Agricultural Biotech Corporation	Parent-subsiary	4,600,000	38,072	16,000,000	158,563 (Note 5)	-	-	-	-	20,600,000	196,635

Note 1: It includes the original investment cost of NT\$741,367 thousand; the remainder represents gains or losses recognized under the equity method.

Note 2: It includes the original investment cost of NT\$100,000 thousand; the remainder represents gains or losses recognized under the equity method.

Note 3: The difference between the opening carrying amount and the carrying cost at the time of disposal primarily represents investment gains or losses recognized under the equity method prior to disposal.

Note 4: It includes transaction costs incurred during the disposal process, such as securities transaction tax.

Note 5: It includes \$160,000 thousand arising from debt-to-equity conversion capital injection; the remainder represents gains or loss recognized under the equity method.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

(C) Information on Investment in Mainland China :

(a) Information regarding investment in Mainland China as follows :

Units:\$'000

Investee company	Main business	Paid-in capital	Method of investment (Note 1)	Accumulated outward fund of investment from Taiwan at the beginning	Outward remittance or inward recovery		Accumulated outward fund of investment from Taiwan at the balance sheet date	Investee company gains/(losses) in current period	Directly or indirectly share holding percentage	Income(losses) recognized from investee company	Book value of investment at period end	Recovery investment profit
					Outward	Inward						
Fubon Property & Casualty Insurance Co., Ltd.	Property Insurance	CNY 5,250,292 1,120,000	(a)	2,155,322	-	-	2,155,322	CNY 135,342 29,337	40.00 %	65,481 Note2	795,523	-

Note 1: Investment types are as follows:

- (a) Direct investments in Mainland China.
- (b) Reinvestment in Mainland China through a third regional company. (Please specify the companies invested in the third region.)
- (c) Others.

Note 2: The recognition of investment gains or losses is based on the financial statements audited by certified public accountant.

Note 3: The NTD amounts in the table which were originally presented in foreign currencies are translated at the closing rate as of June 30, 2026, or the average exchange rate for the year ended June 30, 2026.

The Group and Fubon Insurance Co., Ltd. have jointly invested in the set-up of Fubon Property and Casualty Insurance Co., Ltd. in 2010 for its insurance business operation in Mainland China. In addition, the Group signed a joint venture contract with Fubon Insurance Co., Ltd., and Xiamen Port Holding Group in September 2012. The joint venture was approved by the Insurance Bureau, FSC, the Investment Commission, MOEA and CBRC. The proportionate share holding for The Group, Fubon Insurance Co., Ltd. and Xiamen Port Holding Group are 40%, 40% and 20% respectively. As of June 30, 2026, the accumulated investment of the Group amounted to CNY 448 million.

Fubon Property & Casualty Insurance Co., Ltd initially invested in Shenzhen Teng Fu Bo Investment Limited with 31.1% shareholding. Subsequently on July 16, 2020, Board of Directors has resolved to not participate in the capital increase for Shenzhen Teng Fu Bo Investment Limited, which resulted in the decrease in shareholdings from 31.1% to 16.667% and has been approved by local governing institutions on August 19, 2020. On August 13, 2021, Fubon Property & Casualty Insurance Co., Ltd shareholders' meeting has passed a resolution to dispose of 8.5% shareholding in Shenzhen Teng Fu Bo Investment Limited. This disposal was approved by the competent authority on October 6, 2021 and the shareholding was sold to Fubon Financial Holding Venture Capital Co., Ltd. and TFB Capital Co., Ltd. The equity transfer was completed on October 15, 2021, which resulted in the shareholdings reducing from 16.667% to 8.167%. Fubon Property & Casualty Insurance Co., Ltd. approved the sale of its entire shares in Shenzhen Teng Fu Bo Investment Limited in the shareholders' meeting on December 3, 2024, and completed the share transfer upon approval by the local competent authorities on January 20, 2025.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (b) Fubon Property & Casualty Insurance Co., Ltd. is a property insurance company, the information for its cash management and profitability is disclosed as follows:

- (1) Capital status and its profit and loss : No significant investment.
- (2) Insurance contract assets and liabilities and reinsurance contract assets and liabilities:

	June 30, 2026	December 31, 2025	June 30, 2025
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

- (3) The amount of insurance revenue and insurance revenue ratio accounted for the total insurance revenue of the Group: \$2,150,762 and 3.92%
- (4) The amount of insurance service expenses and insurance service expenses ratio accounted for the total insurance service expenses of the Group: \$1,872,612 and 5.40%
- (5) The pricing, payment condition, unrealized profit and loss of significant transactions with the investee in China:
- 1) Amount, ratio and the ending balance of relevant receivables and payable of core business items such as the insurance policy which the policy holder is the investee: None.
 - 2) Amount and profit and loss of property transaction: None.
 - 3) The highest balance, ending balance, interest rate interval and current interest amount of financing: None.
 - 4) Other significant transactions which would influence current profit and loss and other financial condition, such as the provision or receipt of labor service: None.
- (6) For reinsurance transactions with branches of foreign insurers in Mainland China and overseas branches of insurers in Mainland China, the names of the counterparties and the related amounts, including insurance revenue under insurance service result and reinsurance premiums ceded in respect of income or expenses from reinsurance contracts held, are presented belows: None.

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

- (7) For underwriting transactions with Mainland China individuals, legal entities, groups or other institutions located overseas, the names of counterparties with significant balances and the related amounts of premiums received are presented below: None.

- (c) Limit of investment in China :

Unit:NTD\$'000

Name of Company	Accumulated amount transferred from Taiwan, end of the period	Investment amount approved by Investment Audit Committee of Ministry of Economic Affairs	Limit of investment regulated by Investment Audit Committee of Ministry of Economic Affairs
Fubon Life Insurance Co., Ltd.	2,155,322	2,155,416	530,029,151

Note: Excluding investments accounted not for using the equity method.

- (d) Significant transactions with the investee in China : None

14. SEGMENT INFORMATION

- (A) General information

The Group runs its life insurance business and provides insurance contract product in accordance with local insurance laws, or operates other kinds of business according to local laws. Because the Group mainly runs insurance business and invests in real estates in Taiwan and overseas, the Group shall consider both regions and operating characteristics when determining reportable segments. 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 consistent with the report used by their decision makers. The accounting policies of the operating sectors are the same as significant accounting policies summary in Note 4 of the consolidated financial statements.

- (B) Segment information

	For the three months ended June 30, 2026				
	Taiwan Insurance Business and Others	Asia Insurance Business (Note 1)	Europe Investment property Business	Adjustments and Eliminations (Note 2)	Total
Revenue					
Gains from external customers	\$ 145,435,128	11,361,949	55,499	(16,716)	156,835,860
(Losses) gains from internal segments	3,331,653	-	-	(3,331,653)	-
Total revenue	<u>\$ 148,766,781</u>	<u>11,361,949</u>	<u>55,499</u>	<u>(3,348,369)</u>	<u>156,835,860</u>
Net income	<u>\$ 40,491,475</u>	<u>3,693,690</u>	<u>(133,887)</u>	<u>(3,192,310)</u>	<u>40,858,968</u>

FUBON LIFE INSURANCE CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

For the three months ended June 30, 2025					
	Taiwan Insurance Business and Others	Asia Insurance Business (Note 1)	Europe Investment property Business	Adjustments and Eliminations (Note 2)	Total
Revenue					
Gains from external customers	\$ (61,548,222)	7,027,744	828,030	6,524	(53,685,924)
(Losses) gains from internal segments	1,287,093	-	-	(1,287,093)	-
Total revenue	<u>\$ (60,261,129)</u>	<u>7,027,744</u>	<u>828,030</u>	<u>(1,280,569)</u>	<u>(53,685,924)</u>
Net income	<u>\$ (40,457,172)</u>	<u>547,409</u>	<u>600,516</u>	<u>(1,190,517)</u>	<u>(40,499,764)</u>

For the six months ended June 30, 2026					
	Taiwan Insurance Business and Others	Asia Insurance Business and Others (Note 1)	Europe Investment property Business	Adjustments and Eliminations (Note 2)	Total
Revenue (Note3)					
Gains from external customers	\$ 220,867,626	16,693,627	(128,696)	(11,393)	237,421,164
(Losses) gains from internal segments	3,312,821	-	-	(3,312,821)	-
Total revenue	<u>\$ 224,180,447</u>	<u>16,693,627</u>	<u>(128,696)</u>	<u>(3,324,214)</u>	<u>237,421,164</u>
Net income	<u>\$ 55,605,144</u>	<u>3,789,718</u>	<u>(400,766)</u>	<u>(3,014,858)</u>	<u>55,979,238</u>
Total assets	<u>\$6,178,590,678</u>	<u>475,480,482</u>	<u>41,835,563</u>	<u>(91,063,928)</u>	<u>6,604,842,795</u>

For the six months ended June 30, 2025					
	Taiwan Insurance Business and Others	Asia Insurance Business (Note 1)	Europe Investment property Business	Adjustments and Eliminations (Note 2)	Total
Revenue (Note3)					
Gains from external customers	\$ (52,791,395)	11,010,780	683,420	(53,242)	(41,150,437)
(Losses) gains from internal segments	(906,484)	-	-	906,484	-
Total revenue	<u>\$ (53,697,879)</u>	<u>11,010,780</u>	<u>683,420</u>	<u>853,242</u>	<u>(41,150,437)</u>
Net income	<u>\$ (80,622,160)</u>	<u>(1,609,565)</u>	<u>224,856</u>	<u>1,049,014</u>	<u>(80,957,855)</u>
Total assets	<u>\$5,476,509,055</u>	<u>474,086,395</u>	<u>39,864,542</u>	<u>(65,266,037)</u>	<u>5,925,193,955</u>

Note1: Asia Insurance Business does not include Taiwan.

Note2: The adjustments and eliminations are eliminating entries used to adjust intercompany transactions when preparing the consolidated financial statements.

Note3: It includes insurance revenue, net investment gains (losses), asset management service revenue, and other operating revenue.