Stock Code:2816

UNION INSURANCE CO., LTD.

Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2026 and For the Three Months Ended March 31, 2025 (Restated)

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Independent Auditors' Review Report

To the Board of Directors of Union Insurance Co., LTD.:

Introduction

We have reviewed the accompanying balance sheets of Union Insurance Co., LTD. as of March 31, 2026, December 31, 2025 (restated), March 31, 2025 (restated), and January 1, 2025 (restated), and the related statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2026 and 2025 (restated), and notes to the financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Jin-Guan-Bao-Cai-Zi No. 1140131712, and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Union Insurance Co., LTD. as of March 31, 2026, December 31, 2025 (restated), March 31, 2025 (restated), and January 1, 2025 (restated), and its performance and its cash flows for the three months ended March 31, 2026 and 2025 (restated) in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Jin-Guan-Bao-Cai-Zi No. 1140131712, and International Accounting Standard 34, " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As described in Note 3(a) to the financial statements, Union Insurance Co., LTD. adopted IFRS 17 "Insurance Contracts" on January 1, 2026, and have restated its financial statements for the three months ended March 31, 2025. Our review conclusion was not modified in respect of this matter.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsiao, Ya-Wen and Tsai, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)
May 13, 2026

Notes to Readers

The accompanying financial statements are intended only to present the 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 review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying 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' review report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Balance Sheets

March 31, 2026, December 31, 2025, March 31, 2025 and January 1, 2025

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2026		(as restated) December 31, 2025		(as restated) March 31, 2025		(as restated) January 1, 2025	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
11000	Cash and cash equivalents (note 6(a))	$ 3,180,641	13	3,316,260	13	3,687,065	16	3,132,839	14
12000	Receivables (note 6(b))	551,304	2	475,206	2	445,822	2	423,002	2
12600	Current tax assets	-	-	-	-	11,911	-	11,911	-
14110	Financial assets at fair value through profit or loss (note 6(c))	2,303,878	9	1,451,789	6	1,860,003	8	2,541,497	11
14190	Financial assets at fair value through other comprehensive income (note 6(c))	2,908,102	12	2,820,019	12	2,963,943	13	2,878,010	13
14145	Financial assets at amortized cost (note 6(c))	3,870,638	16	3,920,810	16	3,063,777	14	3,063,738	14
14180	Other financial assets, net (note 6(c))	3,827,000	15	3,471,900	14	2,651,842	12	2,515,758	11
16700	Right-of-use assets (note 6(f))	17,653	-	20,271	-	28,287	-	13,211	-
14200	Investment property (note 6(d))	856,341	3	857,539	3	861,134	4	862,333	4
15400	Insurance contract assets (note 6(h))	2,571	-	737	-	-	-	609	-
15500	Reinsurance contract assets (note 6(i))	5,401,712	21	6,185,081	25	4,826,512	21	4,662,705	21
16000	Property and equipment (note 6(e))	1,483,301	6	1,492,418	6	1,494,333	7	1,486,826	7
17000	Intangible assets	162,058	1	169,497	1	197,049	1	206,916	1
18000	Other assets	559,831	2	451,879	2	496,512	2	541,468	2
	Total assets	**$ 25,125,030**	**100**	**24,633,406**	**100**	**22,588,190**	**100**	**22,340,823**	**100**

		March 31, 2026		(as restated) December 31, 2025		(as restated) March 31, 2025		(as restated) January 1, 2025	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
21000	Accounts payable (note 6(b))	$ 354,461	1	488,630	2	278,706	1	460,402	2
21700	Current tax liabilities	197,117	1	135,859	1	251,839	1	180,909	1
24101	Insurance contract liabilities (note 6(h))	13,667,236	54	13,446,730	55	12,380,892	55	12,064,615	54
24201	Reinsurance contract liabilities (note 6(i))	26,292	-	7,024	-	25,578	-	19,563	-
27000	Provisions	41,786	-	42,069	-	69,586	-	69,727	-
23800	Lease liabilities (note 6(g))	17,807	-	20,455	-	28,405	-	13,351	-
28000	Deferred tax liabilities	62,700	-	62,700	-	62,700	-	63,920	-
25000	Other liabilities (note 6(k))	2,275,790	9	1,223,126	5	1,128,722	5	1,265,285	6
	Total liabilities	16,643,189	65	15,426,593	63	14,226,428	62	14,137,772	63
	Equity								
31100	Ordinary share (note 6(t))	2,236,080	9	2,236,080	9	2,236,080	10	2,236,080	10
33100	Legal reserve (note 6(t))	1,224,828	5	1,224,828	5	1,022,451	5	1,022,451	5
33200	Special reserve (note 6(t))	3,846,859	16	3,846,859	15	3,378,295	15	3,378,295	15
33300	Unappropriated retained earnings (note 6(t))	1,181,147	5	1,940,651	8	1,738,011	8	1,614,649	7
34000	Other equity(note 6(t))	(7,073)	-	(41,605)	-	(13,075)	-	(48,424)	-
	Total equity	8,481,841	35	9,206,813	37	8,361,762	38	8,203,051	37
	Total liabilities and equity	**$ 25,125,030**	**100**	**24,633,406**	**100**	**22,588,190**	**100**	**22,340,823**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Comprehensive Income

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars , except for Earnings per Common Share)

		For the three months ended March 31			
		2026		(as restated) 2025	
		Amount	%	Amount	%
	Insurance service result:				
41101	Insurance revenue (note 6(l))	$ 3,565,801	100	3,503,231	100
51101	Insurance service expenses (note 6(m))	(2,428,842)	(68)	(2,741,563)	(78)
51201	Income or expenses from reinsurance contracts held (note 6(n))	(811,211)	(23)	(320,792)	(9)
61100	**Total insurance service result**	325,748	9	440,876	13
	Financial result:				
41500	Net income (loss) from investments				
41510	Interest income	49,472	2	48,708	1
41521	Gains (losses) on financial assets or liabilities at fair value through profit or loss	180,337	5	(227,252)	(6)
41527	Realized gains (losses) on financial assets at fair value through other comprehensive income	346	-	184	-
41550	Foreign exchange gains (losses)	1,489	-	11,156	-
41570	Gains (losses) on investment property	9,900	-	11,300	-
41585	Expected credit losses or reversal of expected credit losses of investments (note 6(c))	(29)	-	16	-
51401	Insurance finance income or expenses	(20,990)	(1)	(30,936)	-
51501	Finance income or expenses of reinsurance contracts held	10,156	-	14,928	-
61200	**Total financial result**	230,681	6	(171,896)	(5)
	Other operating result:				
41800	Other operating income	11,929	-	6,214	-
51700	Finance costs	(2,135)	-	(1,921)	-
51800	Other operating costs	24,306	1	14,393	-
58000	Other operating expenses	(129,889)	(3)	(111,302)	(3)
61300	**Total other operating result**	(95,789)	(2)	(92,616)	(3)
	Net operating income	460,640	13	176,364	5
59900	Other non-operating income and expenses	1,018	-	19,495	-
	Net income (loss) from continuing operations before tax	461,658	13	195,859	5
63000	Income tax expense (note 6(s))	(63,688)	(2)	(72,497)	(2)
	Net Income	397,970	11	123,362	3
83000	**Other comprehensive income:**				
83100	**Components of other comprehensive income that will not be reclassified to profit or loss**				
83190	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	35,483	1	27,007	1
83180	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	35,483	1	27,007	1
83200	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
83290	Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	(951)	-	8,342	-
83280	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	(951)	-	8,342	-
83000	**Other comprehensive income**	34,532	1	35,349	1
	Total comprehensive income	**$ 432,502**	**12**	**158,711**	**4**
	Basic earnings per share (NT dollars)	$	**1.78**		**0.55**
	Diluted earnings per share (NT dollars)	$	1.77		0.55

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Changes in Equity

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Retained earnings			Total other equity interest	
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2025	$ 2,236,080	1,022,451	3,378,295	726,574	(48,424)	7,314,976
Effects of retrospective application of new standard	-	-	-	888,075	-	888,075
Equity at beginning of period (as restated)	2,236,080	1,022,451	3,378,295	1,614,649	(48,424)	8,203,051
Net Income (as restated)	-	-	-	123,362	-	123,362
Other comprehensive income	-	-	-	-	35,349	35,349
Total comprehensive income (as restated)	-	-	-	123,362	35,349	158,711
Balance at March 31, 2025 (as restated)	**$ 2,236,080**	**1,022,451**	**3,378,295**	**1,738,011**	**(13,075)**	**8,361,762**
Balance at January 1,2026 (as restated)	$ 2,236,080	1,224,828	3,846,859	1,940,651	(41,605)	9,206,813
Special reserve (Jin-Guan-Bao-Cai-Zi No. 11504111391)	-	-	-	(1,157,474)	-	(1,157,474)
Equity at beginning of period (as adjusted)	2,236,080	1,224,828	3,846,859	783,177	(41,605)	8,049,339
Net Income	-	-	-	397,970	-	397,970
Other comprehensive income	-	-	-	-	34,532	34,532
Total comprehensive income	-	-	-	397,970	34,532	432,502
Balance at March 31, 2026	**$ 2,236,080**	**1,224,828**	**3,846,859**	**1,181,147**	**(7,073)**	**8,481,841**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Cash Flows

For the three months ended March 31, 2026 and 2025

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2026	(as restated) 2025
Cash flows from (used in) operating activities:		
Net income before tax	$ 461,658	195,859
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	16,775	14,842
Amortization expense	10,959	10,698
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(218,532)	235,324
Net gain on financial assets or liabilities at fair value through other comprehensive income	(346)	(726)
Interest expense	2,135	1,921
Interest income	(49,472)	(48,708)
Dividend income	(2,141)	(3,700)
Net change in special claim reserve	(29,179)	(17,316)
Net change in other provisions	(283)	(141)
(Reversal of expected credit losses) expected credit losses of investments	29	(16)
(Reversal of expected credit losses) expected credit losses of non-investments	228	(4,609)
Gain on disposal of property and equipment	-	(8,385)
Others	-	(3)
Total adjustments to reconcile profit (loss)	(269,827)	179,181
Changes in operating assets and liabilities:		
Increase in notes receivable	(36,461)	(53,513)
(Increase) decrease in other receivable	(14,941)	54,763
(Increase) decrease in financial assets at fair value through profit or loss	(633,557)	446,170
Increase in financial assets at fair value through other comprehensive income	(53,215)	(49,876)
Decrease in financial assets at amortised cost	50,000	-
Increase in other financial assets	(355,100)	(136,084)
(Increase) decrease in insurance assets	(1,834)	609
Decrease (increase) in reinsurance assets	783,369	(163,807)
(Increase) decrease in other assets	(108,612)	46,292
Decrease in other payable	(134,169)	(181,696)
Increase in insurance liabilities	220,506	316,277
Increase in reinsurance liabilities	19,268	6,015
Decrease in other liabilities	(75,631)	(119,248)
Total changes in operating assets and liabilities	(340,377)	165,902
Total adjustments	(610,204)	345,083
Cash (outflow) inflow generated from operations	(148,546)	540,942
Interest received	25,294	29,232
Dividends received	1,517	3,830
Interest paid	(2,135)	(1,921)
Income taxes paid	(2,430)	(2,787)
Net Cash flows (used in) from operating activities	(126,300)	569,296
Cash flows from (used in) investing activities:		
Increase in prepayments	(978)	(1,538)
Acquisition of property and equipment	(2,581)	(22,392)
Proceeds from disposal of property and equipment	-	13,750
Acquisition of intangible assets	(1,851)	(748)
Net cash flows used in investing activities	(5,410)	(10,928)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(3,909)	(4,142)
Net cash flows used in financing activities	(3,909)	(4,142)
Net (decrease) increase in cash and cash equivalents	(135,619)	554,226
Cash and cash equivalents at beginning of period	3,316,260	3,132,839
Cash and cash equivalents at end of period	**$ 3,180,641**	**3,687,065**

See accompanying notes to financial statements.

(1) Company history

UNION INSURANCE CO., LTD. (the "Company") was founded on February 20, 1963 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is 12th Floor, No. 219, Sec. 4, Zhongxiao E. Road, Taipei, Taiwan, R.O.C. The Company is primarily engaged in underwriting of fire, marine, automobile, engineering, liability and accident insurance, reinsurance, insurance businesses entrusted by other companies, performing a variety of investments and other businesses in accordance with the regulations.

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

These financial reports were approved and announced by the Board of Directors on May 13, 2026.

(3) New standards, amendments and interpretations adopted:

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

The details of impact on the Company'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 present value of future cash flows that are expected to arise within the contract boundary, determined on a best estimate basis, together with a risk adjustment for non financial risk; and

· Contractual service margin (CSM): represents the amount of day-one gain arising at initial recognition that is deferred and recognized over the coverage period as services are provided.

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Day-one losses, any subsequent losses on onerous contracts, and any decreases in losses within groups of insurance contracts are recognized immediately in profit or loss. For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the contractual service margin. However, to the extent that the net cost of purchasing reinsurance coverage relates to events that occurred before the acquisition of the reinsurance contracts held, such net cost is recognized immediately in profit or loss.

Groups of insurance contracts are measured under either the general measurement model (GMM) or the premium allocation approach (PAA). The Company applies the PAA only to groups of short-duration contracts (such as motor insurance and health insurance). All other groups of insurance contracts and groups of reinsurance contracts held are measured under the GMM.

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(c).

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

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

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

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Regarding items in the statement of comprehensive income, premium revenue, reinsurance premiums ceded, insurance claims and benefits, and reinsurance recoveries no longer presented. Under the new standards, these items have been replaced by the following new accounting items:

- Insurance revenue;
- Insurance service expenses;
- 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 is the beginning of the comparative reporting period immediately preceding the date of initial application (i.e., January 1, 2025). The future cash flows and the risk adjustment are measured using current assumptions, consistent with the methodology applied in subsequent measurement. Accordingly, the determination of the contractual service margin is a key element in the transition to the new standard.

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

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

Year of Contract Issuance	Transition Method
2024 and thereafter	Full retrospective approach
2023 and prior	Modified retrospective approach

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Full Retrospective Approach

Under the full retrospective approach, the Company identifies, recognizes and measures each group of insurance contracts as of 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

For groups of insurance contracts issued on or before December 31, 2023, the Company assessed that it was impracticable to obtain complete historical information required to apply the full retrospective approach. However, as sufficient information could be reconstructed using reasonable and supportable approximations, the Company has applied the modified retrospective approach.

Under the modified retrospective approach, the Company identified, recognized and measured each group of insurance contracts at January 1, 2025. The Company reconstructed the measurement at initial recognition using the best available information based on past facts and circumstances to the extent possible, while permitting the use of reasonable approximations where complete data is unavailable.

Under the modified retrospective approach, the Company 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 determine future cash flows. For groups of contracts issued, initiated or acquired between January 1, 1999 and December 31, 2023, the future cash flows at initial recognition were estimated using amounts as of January 1, 2025 or an earlier date (determined retrospectively), adjusted for cash flows that were known to have occurred before that date. The earliest date at which future cash flows could be determined retrospectively for any group of contracts was January 1, 2024;
- Grouping contracts issued more than one year apart into the same group; and
- Where discount rates at initial recognition were not available, using the yield curves for the three years preceding the transition date as the basis for determining the discount rates at initial recognition.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

3) Financial Impact of the Company's Adoption of IFRS 17 from January 1, 2026

a) Reconciliation of Changes in the Company's Balance Sheet as of January 1, 2025 (the Transition Date):

	December 31, 2024 Carrying amount (IFRS 4)	Impact of the adoption of IFRS 17	January 1, 2025 Carrying amount (IFRS 17)
Cash and cash equivalents	$ 3,132,839	-	3,132,839
Receivables	653,103	(230,101)	423,002
Financial assets and loans	10,999,003	-	10,999,003
Insurance contract assets	-	609	609
Reinsurance contract assets	5,327,368	(664,663)	4,662,705
Right-of-use assets	13,211	-	13,211
Investment properties	862,333	-	862,333
Property, plant and equipment	1,486,826	-	1,486,826
Intangible assets	213,969	(7,053)	206,916
Other assets	541,945	11,434	553,379
Total assets	**$ 23,230,597**	**(889,774)**	**22,340,823**
Accounts payable	$ 1,463,821	(1,003,419)	460,402
Insurance contract liabilities	14,097,745	(2,033,130)	12,064,615
Reinsurance contract liabilities	-	19,563	19,563
Provisions	69,727	-	69,727
Other liabilities	284,328	1,239,137	1,523,465
Total liabilities	**$ 15,915,621**	**(1,777,849)**	**14,137,772**
Share capital	$ 2,236,080	-	2,236,080
Retained earnings	5,127,320	888,075	6,015,395
Other equity	(48,424)	-	(48,424)
Total equity	**$ 7,314,976**	**888,075**	**8,203,051**

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

i) The reclassifications presented in the table above mainly relate to the following:

- Receivables, payables, reinsurance contract assets, intangible assets, and other assets: In accordance with IFRS 17, all future fulfilment cash flows are included in the measurement of groups of insurance contracts. Accordingly, balances of insurance- and reinsurance-related receivables and payables previously presented separately under IFRS 4, including premium receivables, claims payable, reinsurance receivables and payables, and recoverable claims, are included in insurance and reinsurance contract assets or liabilities upon adoption of IFRS 17.

- Other liabilities: Insurance liability reserves not within the scope of IFRS 17, as required by relevant regulations and rulings (including compulsory automobile liability insurance special reserve, catastrophe reserve, and major incident reserve), are reclassified to other liabilities.

ii) Remeasurement changes presented in the table above mainly relate to the following:

- Insurance acquisition cash flows: Under IFRS 4, acquisition costs were recognized in profit or loss as incurred. Under IFRS 17, insurance acquisition cash flows allocated to groups of insurance contracts are deferred and recognized over the coverage period.

- Insurance and reinsurance contract assets and liabilities: Under IFRS 4, insurance and reinsurance contract assets and liabilities were measured based on statutory reserve requirements prescribed by the local regulator. IFRS 17 requires the recognition of a contractual service margin and an explicit risk adjustment for non-financial risk. Insurance contract groups are measured based on the total of fulfilment cash flows and the contractual service margin. Due to the differences in measurement bases, insurance contract liabilities are remeasured under IFRS 17, resulting in remeasurement differences.

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Company's 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"

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(b) 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 Company, 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
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.	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 that need to adopt the new standard earlier may do with the endorsement of the FSC.

Standards or Interpretations	Content of amendment	Effective date per IASB
	● 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.	

The Company is evaluating the impact on its financial position and financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Company completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

(a) Statement of compliance

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

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

(b) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost 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 to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) 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.

In addition, effective January 1, 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 FSC Jin-Guan-Bao-Cai-Zi No. 1140131712 dated March 12, 2025.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

(Continued)

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Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

(Continued)

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5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, receivables, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ' credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 90 days past due;

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

(Continued)

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company' s procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities

1) Other financial liabilities

Financial liabilities not classified as held for trading or designated as at fair value through profit or loss are measured at fair value (including payables and other liabilities), plus any directly attributable transaction costs at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

(Continued)

UNION INSURANCE CO., LTD.
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(c) Insurance contracts (including reinsurance contracts)

(i) Definition and scope

1) Insurance contracts issued (including reinsurance contracts)

An insurance contract is a contract under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Company assesses whether significant insurance risk exists by considering whether, under any single scenario, an insured event could cause the Company to pay significant additional benefits. Insurance risk is considered significant only if an insured event could cause the Company to pay significant additional benefits under any single scenario, excluding scenarios that lack commercial substance (i.e. have no discernible effect on the economics of the transaction).

2) Reinsurance contracts held

The Company uses reinsurance to reduce its exposure to insurance risk. Reinsurance contracts held transfer substantially all of the insurance risk related to the reinsured portions of the underlying insurance contracts to the reinsurer. Even if there is a possibility that the issuer of the reinsurance contracts held may not incur a significant loss, such reinsurance contracts are still assessed as transferring significant insurance risk.

(ii) Separation of components of insurance contracts

The Company assesses whether insurance contracts contain components that should be separated. IFRS 17 requires an entity to separate the following components and account for them as if they were separate contracts:

1) cash flows related to embedded derivatives that are required to be separated in accordance with IFRS 9;

2) cash flows related to distinct investment components; and

3) promises to transfer distinct goods or services that are not insurance contract services to the policyholder.

The Company has determined that none of its insurance contracts contain components that require further separation.

(Continued)

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(iii) Level of aggregation of contracts

1) Insurance contracts

The Company manages insurance contracts issued in accordance with the lines of business approved by the regulator, within which contracts are subject to similar risks. The Company groups insurance contracts that are in the same line of business and are managed together into groups of insurance contracts. Groups of insurance contracts are further divided from portfolios of insurance contracts based on contracts issued within a period not exceeding one year and at initial recognition into the following categories:

a) groups of contracts that are onerous;

b) groups of contracts that have no significant possibility of becoming onerous subsequently; and

c) groups of the remaining contracts.

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

For insurance contracts measured under the premium allocation approach, the Company assumes that there are no contracts that are onerous at initial recognition unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous contracts.

2) Reinsurance contracts held

The level of aggregation of groups of reinsurance contracts held is assessed separately from that of groups of insurance contracts issued. For the purpose of applying the requirements for the level of aggregation, the Company divides portfolios of reinsurance contracts held within a period not exceeding one year at initial recognition into the following:

a) groups of contracts that are net gain;

b) groups of contracts that have no significant possibility of becoming net gain subsequently; and

c) groups of the remaining contracts.

(iv) Initial recognition

1) Insurance contracts

The Company recognizes groups of insurance contracts issued from the earliest of the following:

a) the beginning of the coverage period of the group of contracts;

b) the date when the first payment from a policyholder in the group is due; and

c) for groups of onerous contracts, the date when the group becomes onerous.

2) Reinsurance contracts held

The Company recognizes groups of reinsurance contracts held from the earliest of the following:

a) the beginning of the coverage period of the group of reinsurance contracts held; and

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

The Company delays the recognition of groups of reinsurance contracts held that provide proportionate coverage until the initial recognition date 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 by the end of the reporting period are included in a group of contracts. Contracts that meet the recognition criteria after the reporting period are included in the group in the reporting period in which they meet the criteria, subject to the annual grouping restriction.

(v) 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 Company measures a group of insurance contracts as the total of the fulfilment cash flows and the contractual service margin.

a) Fulfilment cash flows

i) The Company estimates the present value of the future cash flows within the boundary of a group of contracts, including premiums, claims, benefits and expenses, and makes adjustments to reflect the time value of money and the risks associated with future cash flows. These estimates include:

1. estimates of future cash flows;

2. an adjustment to reflect the time value of money and the financial risks related to the future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and

3. a risk adjustment for non-financial risk

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

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

ii) Contract boundary

The Company applies the concept of contract boundary to determine which cash flows should be included in the group of insurance contracts. Cash flows that are outside the contract boundary and relate to future insurance contracts are recognized when those contracts meet the recognition criteria.

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

1. the Company has the practical ability to reassess the risks of the group of insurance contracts and can set a price or level of benefits that fully reflects the risks of that group; and

2. the premiums to be charged up to the reassessment date do not reflect risks related to periods after the reassessment date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from rights and obligations that exist during the reporting period, for example, when the Company pays reinsurance premiums to the reinsurer or has the right to receive insurance contract services from the reinsurer.

(Continued)

iii) Insurance acquisition cash flows

Insurance acquisition cash flows arise from selling, underwriting and initiating a group of insurance contracts (and expected contract renewals) and are directly attributable to the portfolio of insurance contracts to which the group belongs.

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

1. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

    - to that group; and

    - to groups that will include insurance contracts expected to arise from renewals of contracts in that group.

2. Insurance acquisition cash flows that are directly attributable to a portfolio of insurance contracts are allocated to groups of insurance contracts in that portfolio that exist or are expected to exist.

The Company recognizes insurance acquisition cash flows paid before the recognition of the related group of insurance contracts (or recognized as an asset under another Standard) as an insurance acquisition cash flow asset, and includes such cash flows in the measurement of the related group of insurance contracts when it is recognized.

The Company assesses the recoverability of insurance acquisition cash flow assets at the end of each reporting period. If facts and circumstances indicate that such assets may be impaired, the carrying amount is adjusted and an impairment loss is recognized in profit or loss. If the facts and circumstances that gave rise to the impairment no longer exist, the impairment loss is reversed in profit or loss, and the carrying amount of the asset is increased accordingly.

iv) Risk adjustment for non-financial risk

The Company adjusts the estimates of the present value of future cash flows to reflect the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows arising from non-financial risk.

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

b) Contractual service margin

i) Insurance contracts

The Company recognizes the unearned profit that relates to future insurance contract services as the contractual service margin (CSM), which forms part of the carrying amount of the group of insurance contracts. The CSM is recognized in profit or loss as the Company provides insurance contract services for contracts within the group. At initial recognition of a group of insurance contracts, the CSM is measured at an amount that results in no income or expenses arising unless the group of contracts is onerous. The CSM is determined as:

1. the fulfilment cash flows at initial recognition;

2. any cash flows arising from contracts in the group at that date;

3. the derecognition of any insurance acquisition cash flow assets; and

4. the derecognition of any other assets or liabilities previously recognized for cash flows related to the group, with the corresponding amounts recognized as insurance revenue and insurance service expenses.

If the above results in a net outflow, the group of insurance contracts is onerous at initial recognition. The Company recognizes the net outflow as a loss in profit or loss immediately, resulting in the carrying amount of the liability being equal to the fulfilment cash flows and the CSM being zero. At the same time, the loss component of the liability for remaining coverage is established for the amount of the loss recognized.

ii) Reinsurance contracts held

The Company recognizes any net cost or net gain for a group of reinsurance contracts held as the contractual service margin at initial recognition, except for any net cost relating to the purchase of reinsurance coverage that is recognized immediately in profit or loss. For a group of reinsurance contracts held, the contractual service margin represents a deferral of the net cost or net gain, which is recognized in profit or loss as the Company receives services from the reinsurer. The contractual service margin is determined as the sum of:

1. the fulfilment cash flows;

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

3. any cash flows arising at that date; and

(Continued)

4. when the Company recognizes losses on onerous groups of underlying insurance contracts or recognises further losses on such groups, the Company adjusts the contractual service margin of the related group of reinsurance contracts held and recognizes income immediately in profit or loss. The amount recognized as income is also used to establish or adjust the loss-recovery component of the asset for remaining coverage.

When the underlying insurance contracts include both contracts that are covered by reinsurance contracts held and contracts that are not covered, the Company applies a systematic and rational method to determine the portion of losses on the underlying insurance contracts that relate to the reinsurance contracts held.

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

a) Insurance contracts at the end of each reporting period, the carrying amount of a group of insurance contracts is the sum of:

i) the liability for remaining coverage, comprising:

1. the fulfilment cash flows related to future services allocated to the group at that date; and

2. the contractual service margin of the group at that date;

ii) the liability for incurred claims, comprising the fulfilment cash flows related to past services allocated to the group at that date.

b) Reinsurance contracts held at the end of each reporting period, the carrying amount of a group of reinsurance contracts held is the sum of:

i) the asset for remaining coverage, comprising:

1. the fulfilment cash flows related to future services allocated to the group at that date; and

2. the contractual service margin of the group at that date;

ii) the asset for incurred claims, comprising the fulfilment cash flows related to past services allocated to the group at that date.

(Continued)

c) Changes in fulfilment cash flows

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

1. changes related to current or past services are recognized in profit or loss; and

2. changes related to future services are recognized by adjusting the contractual service margin or the loss component.

ii) For insurance contracts measured under the general measurement model, changes in fulfilment cash flows related to future services adjust the contractual service margin of the group of insurance contracts, including:

1. experience adjustments arising from premiums received in the period that relate to future services and related cash flows, including those arising from insurance acquisition cash flows;

2. changes in estimates of the present value of future cash flows relating to the liability for remaining coverage;

3. the difference between any investment components expected to be payable in the period and the actual investment components that become payable in the period. Such difference is determined by comparing (i) the actual investment components that become payable in the period with (ii) the expected payment at the beginning of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and

4. changes in the risk adjustment for non-financial risk that relate to future services.

The adjustments in 1), 2) and 4) above are measured using the discount rates determined at initial recognition.

iii) For insurance contracts measured under the general measurement model, the following changes in fulfilment cash flows do not adjust the contractual service margin, as they do not relate to future services:

1. the effects of the time value of money and changes in the time value of money, and the effects of financial risk and changes in financial risk on the fulfilment cash flows;

2. changes in the estimates of fulfilment cash flows relating to the liability for incurred claims;

3. amounts related to premiums received in the period that do not relate to future services and the related cash flows (for example, experience adjustments arising from insurance acquisition cash flows);

4. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

d) Changes in the contractual service margin

i) For insurance contracts issued, at the end of each reporting period, the carrying amount of the contractual service margin at the end of the reporting period is equal to the carrying amount at the beginning of the reporting period, adjusted for:

1. the effect of any new contracts added to the group;

2. interest accreted on the carrying amount of the contractual service margin during the reporting period, measured using the discount rates determined at initial recognition;

3. changes in fulfilment cash flows relating to future services, recognized by adjusting the contractual service margin. Such changes are limited so that the carrying amount of the contractual service margin does not become negative. If an increase in fulfilment cash flows exceeds the carrying amount of the contractual service margin, the contractual service margin is reduced to zero and the excess is recognized as insurance service expenses, with a loss component established within the liability for remaining coverage. When the contractual service margin is zero, subsequent changes in fulfilment cash flows are recognized in insurance service expenses and adjust the loss component. If subsequent decreases in fulfilment cash flows exceed the amount of the loss component, the excess is recognized by increasing the contractual service margin after reducing the loss component to zero; and

4. the amount recognized as insurance revenue due to the transfer of services in the period.

ii) For groups of reinsurance contracts held, at the end of each reporting period, the contractual service margin is measured as the carrying amount at the beginning of the reporting period, adjusted for:

1. the effect of any new contracts added to the group;

2. interest accreted on the carrying amount of the contractual service margin, measured using the discount rates determined at initial recognition;

(Continued)

3. income recognized when the Company recognizes losses on onerous groups of underlying insurance contracts or reverses such losses, and the corresponding establishment or adjustment of the loss-recovery component of the asset for remaining coverage;

4. reversals of the loss-recovery component to the extent that such reversals are not changes in fulfilment cash flows of the group of reinsurance contracts held;

5. changes in fulfilment cash flows that relate to future services, except to the extent that such changes arise from allocations of losses recognized on onerous groups of underlying insurance contracts; and

6. the amount recognized in profit or loss for services received in the period.

To apply the requirements in 3) to 5) above, the Company uses a systematic and rational method to determine the portion of losses on underlying insurance contracts that relates to groups of reinsurance contracts held.

iii) Discount rates used to accrete interest on the contractual service margin

For insurance contracts without direct participation features, the Company uses the discount rates determined at initial recognition of the group of contracts to accrete interest on the contractual service margin. For groups that contain more than one contract, the Company uses a weighted-average discount rate based on the timing of issuance of the contracts within the group. The period over which the weighted average is determined does not exceed one year.

iv) Release of Contractual Service Margin to Profit or Loss

The amount of insurance revenue recognized in profit or loss for the period, arising from the transfer of insurance contract services, is determined by allocating the contractual service margin remaining at the end of the reporting period over the current and remaining coverage periods. Such allocation is based on coverage units reflecting the quantity of benefits provided and the expected coverage duration.

The coverage period represents the period during which the Company provides insurance contract services. Insurance contract services comprise the provision of coverage for insured events.

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

(Continued)

For reinsurance contracts held, coverage units are based on the coverage provided by the reinsurer. The measurement reflects the reinsured amount, after considering the ceded sum insured, and also incorporates the effect of new business written within the contract boundary of the reinsurance contracts.

For such contracts, the coverage period is determined by reference to all expected cash flows within the contract boundary of the reinsurance contracts, and is based on the coverage periods of the underlying contracts covered.

v) Onerous Contracts and Loss Component

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

After a group of insurance contracts becomes onerous, the Company allocates subsequent changes in fulfilment cash flows between the loss component and the liability for remaining coverage. Changes in the fulfilment cash flows relating to future service are allocated to the loss component and the liability for remaining coverage based on a systematic allocation method. These changes comprise:

1. Estimates of the present value of future cash flows relating to future insurance service arising from the release of the liability for remaining coverage;

2. Changes in the risk adjustment for non-financial risk; and

3. Insurance finance income or expenses.

The amounts allocated under 1) and 2) above reduce the components of insurance revenue and insurance service expenses, respectively.

In subsequent periods, if the fulfilment cash flows decrease, the loss component is reduced accordingly. Once the loss component is reduced to zero, any remaining decrease is recognized as a contractual service margin. Conversely, if the fulfilment cash flows increase, the loss component is remeasured and increased.

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

The loss-recovery component is determined as the amount of loss recoveries arising from reinsurance contracts held and is recognized in profit or loss. It is presented separately from the premiums paid for reinsurance.

3) Initial Recognition and Subsequent Measurement: Groups of Contracts to Which the Premium Allocation Approach is Applied

a) Insurance contracts

The Company applies the premium allocation approach to measure groups of insurance contracts with a coverage period of one year or less, and to groups of insurance contracts with a coverage period of more than one year where the measurement of the liability for remaining coverage does not differ materially from that which would be produced by applying the general measurement model.

For insurance contracts issued to which the premium allocation approach is applied, the Company recognizes insurance acquisition cash flows as an expense over the coverage period of the related groups of contracts.

At initial recognition of insurance contracts issued, the Company measures the liability for remaining coverage as the premiums received, less any insurance acquisition cash flows at that date, plus or minus any amounts arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group of contracts.

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

i) the liability for remaining coverage; and

ii) the liability for incurred claims, comprising the fulfilment cash flows relating to past service allocated to the group at the reporting date.

Subsequently, at the end of each reporting period, the carrying amount of the liability for remaining coverage is measured as the carrying amount at the beginning of the period:

i) plus premiums received during the period;

ii) minus insurance acquisition cash flows;

iii) minus the amount recognized as insurance revenue for coverage provided during the period; and

iv) plus or minus any amortization of insurance acquisition cash flows recognized as an expense in the reporting period.

b) Reinsurance contracts held

The Company applies the premium allocation approach to measure reinsurance contracts held with a coverage period of one year or less, and to reinsurance contracts held with a coverage period of more than one year where the measurement of the remaining coverage does not differ materially from that which would be produced by applying the general measurement model.

For reinsurance contracts held, at initial recognition, the Company recognizes a remaining coverage asset measured as the reinsurance premiums paid, together with any other amounts arising from cash flows prior to initial recognition.

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

i) the asset for remaining coverage; and

ii) the asset for incurred claims, comprising the fulfilment cash flows relating to past service allocated to the group at the reporting date.

Subsequently, at the end of each reporting period, the carrying amount of the asset for remaining coverage is measured as the carrying amount at the beginning of the period:

i) plus reinsurance premiums paid during the period;

ii) minus the amount recognized as reinsurance expenses for services received during the period.

The Company adjusts the carrying amount of groups of reinsurance contracts held to reflect the effect of changes in non-performance risk of the reinsurer.

c) As insurance acquisition cash flows are allocated evenly over the coverage period and the coverage period is within one year, the Company does not adjust the liability for remaining coverage to reflect the time value of money.

For contracts measured under the premium allocation approach, the measurement of the liability (or asset) for incurred claims is consistent with the general measurement model. Future cash flows are adjusted for the time value of money, as the expected claims settlement period exceeds one year.

(Continued)

d) If, at any time during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognizes a loss in profit or loss to the extent that the fulfilment cash flows exceed the carrying amount of the liability for remaining coverage. The Company increases the liability for remaining coverage and establishes a loss component.

In subsequent reporting periods, the loss component is remeasured to reflect changes in fulfilment cash flows relating to future service, determined using the general measurement model. When a loss on an onerous group of insurance contracts is recognized or when additional onerous contracts are added to a group, the Company adjusts the carrying amount of the asset for remaining coverage for reinsurance contracts held and recognizes a gain. The Company also establishes or adjusts a loss-recovery component. The amount of the gain recognized is determined by applying the percentage of claims expected to be recovered from the reinsurance contracts held to the loss recognized on the onerous underlying insurance contracts, provided that the reinsurance contracts were entered into before or at the same time as the underlying insurance contracts.

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

(vi) Contract Modifications and Derecognition

When the Company and the counterparty to a contract agree to modify the contract, or when a modification is required by law or regulation, the Company treats changes in cash flows resulting from the modification as changes in estimates of fulfilment cash flows, unless the original contract is required to be derecognized.

The Company derecognizes an insurance contract when:

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

2) the contract is modified and any of the following conditions are met, in which case the Company derecognizes the original contract and recognizes the modified contract as a new contract:

a) if the terms of the modified contract had been included at contract inception and the Company concludes that:

i) the modified contract would not be within the scope of IFRS 17;

ii) the modified contract would result in separating components from the host insurance contract, leading to different contracts within the scope of IFRS 17;

(Continued)

iii) the modified contract would have a substantially different contract boundary; or

iv) the modified contract would be included in a different group of contracts.

b) The original contract was accounted for under the premium allocation approach; however, due to the modification, the contract no longer meets the eligibility criteria for the application of the premium allocation approach.

(vii) Presentation in the Financial Statements

1) Insurance contract assets and liabilities: Insurance contracts recognized in accordance with IFRS 17 and relevant regulations are presented in the statement of financial position on a portfolio basis as either a net asset or a net liability. Such amounts comprise the liability for remaining coverage, the liability for incurred claims, and any assets for insurance acquisition cash flows.

2) Reinsurance contract assets and liabilities: Reinsurance contracts held that are recognized in accordance with IFRS 17 and applicable regulations are presented in the statement of financial position on a portfolio basis as either a net asset or a net liability. Such amounts comprise the asset for remaining coverage and the asset for incurred claims, and include the effect of any non-performance risk of the reinsurer.

(viii) Insurance service result: insurance contracts issued

1) Insurance revenue

The Company recognizes insurance revenue as it provides insurance contract services during the reporting period, releasing the liability for remaining coverage. The amount of insurance revenue recognized in the reporting period reflects the transfer of promised services in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services.

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

a) Amounts relating to changes in the liability for remaining coverage:

i) Expected insurance service expenses incurred in the period, excluding:

1. amounts allocated to the loss component of the liability for remaining coverage;

2. repayments of investment components;

3. amounts relating to transaction-based taxes collected from third parties (if any);

4. insurance acquisition cash flows; and

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

ii) Changes in the risk adjustment for non-financial risk, excluding:

1. changes included in insurance finance income or expenses;

2. changes relating to future service; and

3. amounts allocated to the loss component of the liability for remaining coverage.

iii) The contractual service margin recognized in profit or loss for the services provided in the period;

iv) Other amounts, for example, adjustments for premiums received that are not related to future service.

b) Allocation of recovery of insurance acquisition cash flows: The recovery of insurance acquisition cash flows is allocated over each reporting period on a systematic basis using coverage units, reflecting the portion of premiums related to the recovery of such cash flows, and is recognized as insurance revenue.

For insurance contracts measured under the premium allocation approach, the Company recognizes insurance revenue based on the passage of time over the coverage period of the group of contracts.

2) Insurance service expenses

Insurance service expenses comprise the following:

a) Incurred claims and other insurance service expenses, excluding repayments of investment components;

b) Amortization of insurance acquisition cash flows;

c) Changes relating to past service, being changes in fulfilment cash flows for the liability for incurred claims;

d) Changes relating to future service, being losses on onerous groups of contracts and reversals of such losses; and

e) Impairment losses on insurance acquisition cash flow assets (if any).

(Continued)

For insurance contracts not measured under the premium allocation approach, the amortization of insurance acquisition cash flows reflects the pattern of transfer of insurance contract services and is consistent with the allocation of insurance acquisition cash flows recognized as part of insurance revenue.

For insurance contracts measured under the premium allocation approach, insurance acquisition cash flows are amortized on a time-apportioned basis over the coverage period.

Cash flows relating to costs that cannot be directly attributed to a group of insurance contracts are recognized in profit or loss as other operating expenses when incurred.

(ix) Insurance service result: reinsurance contracts held

The Company presents the income or expenses from groups of reinsurance contracts held as a single amount in the insurance service result, comprising the following:

1) Reinsurance expenses for contracts not measured under the premium allocation approach, comprising:

   a) Expected recoveries of incurred claims and other directly attributable expenses in the period, excluding:

      i) amounts allocated to the loss-recovery component;

      ii) repayments of investment components; and

      iii) amounts relating to the risk adjustment for non-financial risk.

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

      i) changes included in reinsurance finance income or expenses;

      ii) changes relating to future service; and

      iii) amounts allocated to the loss-recovery component.

   c) The contractual service margin recognized in profit or loss for services received during the period;

   d) Other amounts, such as adjustments relating to reinsurance premiums paid that do not relate to future service.

2) For reinsurance contracts held measured under the premium allocation approach, the Company recognizes reinsurance expenses based on the passage of time over the coverage period of the group of contracts.

3) Amounts recovered from the reinsurer, comprising:

   a) Recoveries of incurred claims and payments made (excluding investment components and net of amounts allocated to the loss-recovery component);

   b) Other incurred reinsurance-related expenses;

   c) Changes relating to past service, being changes in fulfilment cash flows relating to the asset for incurred claims; and

   d) Recoveries of losses on onerous underlying contracts and reversals of such recoveries.

4) Changes in the non-performance risk of the reinsurer.

(x) Insurance finance income or expenses

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

   a) the effect of the time value of money and changes in the time value of money; and

   b) the effect of financial risk and changes in financial risk.

2) For groups of contracts measured under the general measurement model, insurance finance income or expenses mainly comprise:

   a) interest accretion on fulfilment cash flows and the contractual service margin; and

   b) the effects of changes in interest rates and other financial assumptions.

3) For contracts measured under the premium allocation approach, insurance finance income or expenses mainly comprise:

   a) interest accretion on the liability for incurred claims; and

   b) the effects of changes in interest rates and other financial assumptions.

4) The Company disaggregates changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

5) For contracts measured under both the general measurement model and the premium allocation approach, the Company elects to recognize insurance finance income or expenses in profit or loss.

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(xi) Interim financial reporting

The Company prepares interim financial reports in accordance with IAS 34 Interim Financial Reporting. In preparing interim financial statements, the Company applies the same accounting policies as those applied in the annual financial statements in accordance with IFRS 17, including the treatment of changes in accounting estimates.

(d) Special reserves

The Company provides for special reserves in accordance with the "Regulations Governing the Provision of Various Reserves for Insurance Enterprises," the "Regulations Governing the Management of Various Liability Reserves for Compulsory Automobile Liability Insurance," the "Directions for the Implementation of Risk Diversification Mechanisms for Residential Earthquake Insurance," the "Regulations Governing the Provision of Various Reserves for Nuclear Insurance by Property Insurance Enterprises," and the "Regulations Governing the Provision of Various Reserves for Commercial Earthquake Insurance and Typhoon and Flood Insurance by Property Insurance Enterprises," and have been certified by an actuary approved by the Financial Supervisory Commission (FSC). The basis for provision of special reserves is as follows:

Special reserves are categorized into "catastrophe special reserves" and "risk volatility special reserve." Except for compulsory automobile liability insurance and the initial adoption impact of IFRS 17 (as per FSC Letter No. 11504111391), which continue to be recognized as liabilities, additions to special reserves for other lines of business are recognized, net of tax in accordance with IAS 12, as special surplus reserves under equity. Amounts eligible for release or reversal shall likewise be adjusted against such reserves under equity.

(i) Special reserve - catastrophe special reserve

Special reserves for catastrophe reserve are appropriated for each line of insurance based on the ratios prescribed by the competent authority.

For major disasters announced by the government, upon the occurrence of a single event, if the aggregate retained claims across all lines of insurance of an individual company reach NT$30 million, and the total claims payable across all property and casualty insurers for all lines of insurance amount to NT$2 billion or more, the major claims special reserve may be utilized to offset such losses.

If the catastrophe special reserve has been accumulated for more than 15 years, a released mechanism may be established based on an evaluation by a qualified actuary and filed with the competent authority. In addition, for commercial earthquake insurance as well as typhoon and flood insurance, reserves that have been accumulated in accordance with regulations for more than 30 years may be released.

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(ii) Special reserve - risk volatility special reserve

If the actual claims incurred for the retained business of each line of insurance, after being offset by the catastrophe special reserve, are less than the expected claims, an equalization special reserve shall be provided at 15% of the difference. In addition, for commercial earthquake insurance and typhoon and flood insurance, an equalization special reserve shall be provided at 75% of such difference in accordance with relevant regulations. The expected claims shall be calculated based on an expected loss ratio of no less than 60%.

If the actual claims for a line of insurance, after deducting the portion offset by the catastrophe reserve, exceed the expected claims, the excess may be offset against the contingency reserves previously established for that line of insurance. If such contingency reserves are insufficient, the deficiency may be offset against contingency reserves established for other lines of insurance. The lines of insurance and the amounts so offset shall be handled in accordance with the relevant regulations prescribed by the competent authority and filed with the competent authority.

When the accumulated balance of the contingency reserve for each line of insurance exceeds 60% of its net retained earned premiums for the current year, the excess portion shall be released. However, the release of the contingency reserve for accident insurance and health insurance with a term of one year or less shall be handled in accordance with Article 36, Paragraph 1, Subparagraph 3 of the Regulations Governing the Provision of Various Reserves for Insurance Enterprises.

In addition, for commercial earthquake insurance and typhoon and flood insurance, where the accumulated balance of the contingency reserve for commercial earthquake insurance exceeds 18 times its retained earned premiums for the current year, and that for typhoon and flood insurance exceeds 8 times its retained earned premiums for the current year, the excess portion shall be released.

In addition, effective January 1, 2013, in accordance with the “Directions for Strengthening Catastrophe Reserves of Property Insurance Companies”, the “Directions for Strengthening Reserve Requirements for Members of the Residential Earthquake Insurance Pool”, and the “Regulations Governing the Provision of Various Reserves for Nuclear Insurance by Property Insurance Companies” (collectively, the catastrophe insurance-related regulations), the Company shall, from December 31, 2012, reallocate the major catastrophe special reserve and risk fluctuation special reserve previously recognized under liabilities in accordance with prior generally accepted accounting principles, for all lines of insurance other than compulsory automobile liability insurance, nuclear insurance, policy-based residential earthquake insurance, commercial earthquake insurance, and typhoon and flood insurance, to first fully fund the major catastrophe special reserve and risk fluctuation special reserve for commercial earthquake insurance and typhoon and flood insurance, and continue to recognize them under liabilities.

The required reserve level of the major catastrophe and risk fluctuation special reserves for commercial earthquake insurance and typhoon and flood insurance is determined based on the higher of the net retained earned premiums for 2012 and the average net retained earned premiums for the five-year period from 2008 to 2012.

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The major catastrophe special reserve is calculated by multiplying the base amount by the provisioning rate of 7% and an accumulation period of 30 years. The full funding level of the risk fluctuation special reserve is calculated by multiplying the base amount by the prescribed accumulation multiples (18 times for commercial earthquake insurance and 8 times for typhoon and flood insurance).

The shortfall between the required full funding level of the special reserves and the ending balances of the catastrophe reserves for commercial earthquake insurance and typhoon and flood insurance recognized under liabilities and equity as of December 31, 2012 shall first be funded through transfers from special reserves of other lines of insurance.

Such transfers shall first be used to fully fund the catastrophe reserves of commercial earthquake insurance and typhoon and flood insurance. Any remaining amount shall then be allocated on a pro-rata basis to the contingency reserves of these lines of insurance.

After the contingency reserves have reached their required funding levels, any remaining balance shall be recognized, net of income tax in accordance with IAS 12, as special surplus reserves under equity for other lines of insurance.

The amount transferred to the major catastrophe special reserve under liabilities for commercial earthquake insurance and typhoon and flood insurance shall be released annually at one-thirtieth, based on the liability balance as of January 1, 2013, and recognized as income.

The aforementioned recoverable amount shall first be reduced by the amount of actual retained losses from catastrophic events exceeding NT$30 million. If, as a result, the accumulated balance of the major catastrophe special reserve falls below the year-end balance prior to such deductions, the deficiency shall first be made up before any further release is permitted.

In addition, through the end of 2025, the amount released each year shall be reviewed. If such release amount exceeds the amount that would have been released for other lines of insurance that had reached the accumulation period for the major catastrophe special reserve prior to the implementation of the catastrophe insurance-related regulations, the excess shall, net of tax, be transferred to the special surplus reserve under equity in respect of such other lines of insurance. The aforementioned excess shall be allocated based on the proportion of the current year’s net retained earned premiums of those other insurance lines.

For amounts transferred to the risk fluctuation special reserve for commercial earthquake insurance and typhoon and flood insurance, the provisions shall be made in accordance with the “Regulations Governing the Provision of Various Reserves for Commercial Earthquake Insurance and Typhoon and Flood Insurance by Property Insurance Companies”.

In accordance with FSC Jin-Guan-Bao-Cai-Zi No. 11504111391, the increase in retained earnings arising from the first-time adoption of IFRS 17 on January 1, 2026 shall be partially reclassified (hereinafter referred to as the “reclassifiable amount”) to special reserves under liabilities for commercial earthquake insurance and typhoon and flood insurance. Such reclassification shall first be made to the catastrophe reserve until it reaches the required reserve level, with any remaining amount reclassified to the contingency reserve.

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The reclassifiable amounts of the catastrophe reserve and the contingency reserve for commercial earthquake insurance and typhoon and flood insurance are determined based on the higher of the retained earned premiums for 2024 and the average retained earned premiums for the five-year period from 2020 to 2024. The reclassifiable amount of the catastrophe reserve is calculated as the base amount multiplied by the appropriation rate (7%) and an accumulation period of 30 years, less the balance of the catastrophe reserve recognized under liabilities as of 2024. The reclassifiable amount of the contingency reserve is calculated as the base amount multiplied by the prescribed multiples (18 times for commercial earthquake insurance and 8 times for typhoon and flood insurance), less the balance of the contingency reserve recognized under liabilities as of 2024.

The amount reclassified to the catastrophe reserve under liabilities for commercial earthquake insurance and typhoon and flood insurance shall, commencing from 2026, be released and recognized as income annually at one-thirtieth of the liability balance as of January 1, 2026. The released amount shall first be reduced by the portion of actual retained claims arising from major catastrophes exceeding NT$30 million that have been offset. If offset exceeds the releasable amount, no release shall be recognized in the current year. In subsequent years, a release may only be recognized after confirming that the cumulative releasable amount since 2026 is greater than or equal to the sum of (1) the cumulative offset amounts and (2) one-thirtieth of the balance of the catastrophe reserve under liabilities as of January 1, 2026.

(iii) Compulsory automobile and motorcycle liability insurance

The special reserve for compulsory automobile and motorcycle liability insurance is determined in accordance with the “ Regulations Governing the Management of Various Reserves for Compulsory Automobile Liability Insurance.” The sum of the net retained earned pure premiums and the interest income on the prior year’s special reserve, after deducting the sum of retained insurance claim payments and the changes in loss components between the current and prior periods, shall be fully appropriate to the special reserve. If the former amount is less than the latter amount, the deficiency shall be covered by releasing the special reserve accumulated in prior years. If such reserve is insufficient, the remaining deficiency shall be recorded in memorandum accounts and shall be covered by future appropriations to the special reserve.

(e) Employee benefits

The pension cost in the interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for subsequent significant market fluctuations and for significant workforce reduction, settlements, or other significant one-off events.

(f) Income taxes

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

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management’s best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

(Continued)

Temporary differences between the carrying amount 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:

The preparation of the financial statements in conformity with the Regulations and IAS 34 " Interim Financial Reporting" endorsed by the FSC requires management to make 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.

Management continually reviews its estimates and underlying assumptions. Changes in accounting estimates are recognized in the period of the change and in future periods affected.

The accounting policies involving significant judgments and the information that has a significant effect on the amounts recognized in the financial statements are as follows:

Insurance and reinsurance contracts

In measuring insurance contracts and reinsurance contracts, the Company is required to make the following significant judgments and estimates. These judgments and estimates affect the measurement of insurance and reinsurance contract assets or liabilities, as well as the recognition of the related income and expenses.

(a) Classification of contracts: Assessing whether a contract transfers significant insurance risk and whether it contains direct participation features, in order to determine whether it should be classified as an insurance contract or an investment contract.

(b) Level of aggregation and initial recognition of insurance and reinsurance contracts

For the Company' s insurance contracts that are not measured under the premium allocation approach, the assessment at initial recognition of whether the contracts are onerous, or whether there is no significant possibility of becoming onerous subsequently, is based on:

· the likelihood of changes in assumptions which, if they occur, would result in the contracts becoming onerous; and

· information derived from estimates of the profitability of groups of contracts.

(Continued)

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(c) Measurement of insurance contracts and reinsurance contracts under the general measurement model

The assets (or liabilities) for groups of insurance contracts are measured as the sum of fulfilment cash flows and the contractual service margin. 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. The assumptions and techniques used in estimating fulfilment cash flows and the risk adjustment for non-financial risk are based on the contractual terms and the Company's experience. Significant judgment is required in determining the appropriate assumptions and techniques to be applied.

In addition, the contractual service margin represents the unearned profit that the Company will recognize as it provides services under the insurance contracts. The amount of contractual service margin recognized in profit or loss is determined based on the coverage units of the group of contracts, which results in the allocation of the contractual service margin at the end of the period equally to the services provided in the current period and those expected to be provided in the future. Coverage units represent the quantity of services provided by the contracts in the group, which the Company determines by considering the quantity of benefits provided under each contract and the expected coverage period.

Except for certain modifications required by IFRS 17 for the measurement of reinsurance contracts held, the Company applies accounting policies consistent with those for insurance contracts without direct participation features when measuring reinsurance contracts held. Such modifications include, for example, the use of assumptions consistent with those of the underlying contracts in estimating the present value of future cash flows of groups of reinsurance contracts held, and the inclusion of the effect of any non-performance risk of the reinsurer. The risk adjustment for non-financial risk reflects the amount of risk being transferred by the holder to the issuer of the reinsurance contracts. The contractual service margin at initial recognition reflects the net cost or net gain on purchasing reinsurance.

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

(d) Transition: The Company adopted IFRS 17 "Insurance Contracts" effective January 1, 2026. Except where the full retrospective approach is impracticable, the modified retrospective approach has been applied to the remaining groups of contracts.

The assumptions used in measuring insurance contracts and reinsurance contracts are disclosed in Note 6(j), including assumptions related to future cash flows, such as loss ratios and discount rates. Changes in key assumptions may significantly affect the estimates of fulfillment cash flows in the following year. However, such changes adjust the contractual service margin and do not affect the carrying amounts of the related insurance and reinsurance contracts, unless the changes arise from onerous contracts or relate to past or current services.

(Continued)

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(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the financial statements for the current period and the 2025 financial statements. Please refer to Note 6 of the 2025 annual financial statements.

(a) Cash and cash equivalents

	March 31, 2026	December 31, 2025	March 31, 2025
Cash on hand	$ 500	500	398
Petty cash	13,210	13,210	13,210
Cash in bank	1,919,911	2,304,691	2,235,949
Bonds purchased under resale agreements	1,247,020	997,859	1,437,508
Total	**$ 3,180,641**	**3,316,260**	**3,687,065**

(b) Receivables and Payables

(i) Receivables

Item	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 319,104	282,647	296,417
Other receivables	232,200	192,559	149,405
Total	**$ 551,304**	**475,206**	**445,822**

(ii) Notes receivable

Item	March 31, 2026	December 31, 2025	March 31, 2025
Notes receivable	$ 319,184	282,723	296,888
Less: Loss allowance	(80)	(76)	(471)
Total	**$ 319,104**	**282,647**	**296,417**

(iii) Other receivables

Item	March 31, 2026	December 31, 2025	March 31, 2025
Other receivables	$ 270,355	230,490	178,356
Less: Loss allowance	(38,155)	(37,931)	(28,951)
Total	**$ 232,200**	**192,559**	**149,405**

(Continued)

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As of March 31, 2026, December 31 and March 31, 2025, the overdue receivables in notes receivable and other receivables were $36,298, $36,076 and $22,908, which provisioned the loss allowance $38,235, $38,007 and $29,422, respectively. The movements of the loss allowance for receivables were as follows:

	For the three months ended March 31, 2026	2025
Beginning balance	$ 38,007	34,032
Loss provision (reversal)	228	(4,610)
Ending balance	**$ 38,235**	**29,422**

The Company's aging analysis of receivables was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Under 90 days	$ 553,241	477,137	452,666
More than 271 days	36,298	36,076	22,578

The estimate of expected credit losses of the Company's receivables please refer to Note 6(w).

(iv) Payables

Item	March 31, 2026	December 31, 2025	March 31, 2025
Other payables	**$ 354,461**	**488,630**	**278,706**

(c) Financial assets

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

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets mandatorily measured at fair value through profit or loss:			
Beneficiary certificate	$ 209,534	118,972	673,345
Real estate investment trust beneficiary certificate	268,536	272,318	284,043
Domestic listed stocks and OTC stocks	1,697,768	1,060,499	761,363
Foreign stock	128,040	-	141,252
Total	**$ 2,303,878**	**1,451,789**	**1,860,003**

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Sensitivity analysis - the risk of equity price:

If there is an increase in the securities' price of 1% on the reporting date (assume that all other variables remain the same), the impact on net income before income tax for the three months ended March 31, 2026 and 2025 will increase $23,039 and $18,600, respectively. Conversely, if there is a decrease in the securities' price of 1% on the reporting date based on all other variables remaining the same, there will be the same amount but opposite direction of influence.

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

	March 31, 2026	December 31, 2025	March 31, 2025
Debt investments at fair value through other comprehensive income:			
Beneficiary certificate	$ 52,600	-	-
Financial bonds	-	-	168,755
Corporate bonds	-	-	565,287
Subtotal	52,600	-	734,042
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks and OTC stocks	$ 2,841,614	2,806,579	2,215,929
Domestic unlisted stocks	13,888	13,440	13,972
Subtotal	2,855,502	2,820,019	2,229,901
Total	**$ 2,908,102**	**2,820,019**	**2,963,943**

1) Debt investments at fair value through other comprehensive income

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

For the three months ended March 31, 2026 and 2025, the company recognized dividended of $346 and $0, respectively, from investments in debt investments designated at fair value through other comprehensive income.

2) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represented those investments that the Company intended to hold not for trading purposes.

During the three months then ended March 31, 2026 and 2025, no dividend income was recognized for equity investments measured at fair value through other comprehensive income held at the three months then ended, respectively; there was no disposal of equity investments during the three months then ended March 31, 2026 and 2025. Accordingly, no cumulative gains or losses were transferred within equity during the periods.

Sensitivity analysis - the risk of equity price:

If there is an increase in the securities' price of 1% on the reporting date (assume that all other variables remain the same), the impact on other comprehensive income before taxes for the three months ended March 31, 2026 and 2025 will increase $28,555 and $22,299, respectively. Conversely, if there is a decrease in the securities' price of 1% on the reporting date based on all other variables remaining the same, there will be the same amount but opposite direction of influence.

3) Please refer to Note 6(w) for further information of credit risk.

4) Please refer to Note 6(w) for further information of the movement in loss allowance of debt investments at fair value through other comprehensive income.

(iii) Financial assets at amortized cost

	March 31, 2026	December 31, 2025	March 31, 2025
Government bonds	$ 563,645	613,767	614,118
Financial bonds	2,200,000	2,200,000	1,700,000
Corporate bonds	1,450,000	1,450,000	1,150,000
Subtotal	4,213,645	4,263,767	3,464,118
Less: Security deposits	(340,266)	(340,235)	(397,016)
Loss allowance	(2,741)	(2,722)	(3,325)
Total	**$ 3,870,638**	**3,920,810**	**3,063,777**

1) The Company assessed financial assets that are held to maturity in order to collect contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding. Therefore, these financial assets were classified as measured at amortized cost.

2) Please refer to Note 6(w) for further information of credit risk.

3) The Company's financial assets measured at amortized cost had been pledged partially, please refer to Note 8.

UNION INSURANCE CO., LTD.
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4) Please refer to Note 6(w) for further information of the movement in loss allowance of financial assets at amortized cost.

(iv) Other financial assets, net:

	March 31, 2026	December 31, 2025	March 31, 2025
Time deposits－initial maturity date over than three months	$ 3,932,000	3,471,900	2,651,842
Less: Security deposits	(105,000)	-	-
Total	**$ 3,827,000**	**3,471,900**	**2,651,842**

The Company's time deposits were provided as pledged assets and were reclassified to refundable deposits, please refer to Note 8 for further information.

(v) Capital outsourcing information

As of March 31, 2026, December 31 and March 31, 2025, the Company had outsourced to Securities Investment Trust to manage investment project and capital amount. Further information was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Investment	**Amount**	**Amount**	**Amount**
Domestic listed stocks and OTC stocks, bonds, bonds purchased under resale agreements, short term bills, deposits in financial institutions, etc.	**$ 1,400,000**	**1,200,000**	**1,900,000**

The investment project was mentioned above, and the carrying amount as of March 31, 2026, December 31 and March 31, 2025 were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents	$ 274,115	286,953	575,035
Financial assets at fair value through profit or loss - stocks	1,531,708	1,060,499	459,777
Financial assets at fair value through other comprehensive income - bonds	-	-	734,042
Total	**$ 1,805,823**	**1,347,452**	**1,768,854**

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(d) Investment property

The cost, accumulated depreciation, and accumulated impairment loss of the investment property of the Company for the three months ended March 31, 2026 and 2025, were as follows:

	Land and improvement	Buildings and construction	Total
Cost or deemed cost:			
Balance at March 31, 2026	$ 754,383	226,645	981,028
(Same as January 1, 2025)			
Balance at March 31, 2025	$ 754,383	226,645	981,028
(Same as January 1, 2025)			
Accumulated depreciation and impairment loss			
Balance at January 1, 2026	$ 12,709	110,780	123,489
Depreciation	-	1,198	1,198
Balance at March 31, 2026	$ 12,709	111,978	124,687
Balance at January 1, 2025	$ 12,709	105,986	118,695
Depreciation	-	1,199	1,199
Balance at March 31, 2025	$ 12,709	107,185	119,894
Carrying amount:			
January 1, 2026	$ 741,674	115,865	857,539
March 31, 2026	$ 741,674	114,667	856,341
January 1, 2025	$ 741,674	120,659	862,333
March 31, 2025	$ 741,674	119,460	861,134
Fair value:			
January 1, 2026			$ 2,005,871
March 31, 2026			$ 2,005,871
January 1, 2025			$ 1,938,755
March 31, 2025			$ 1,938,755

On March 31, 2026, December 31 and March 31, 2025, the assessment of fair value of investment property mainly referred to the market trade.

As of March 31, 2026, December 31 and March 31, 2025, the Company's investment property had not been pledged as collateral.

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(e) Property, plant and equipment

The cost, accumulated depreciation, and accumulated impairment loss of the property, plant and equipment of the Company for the three months ended March 31, 2026 and 2025, were as follows:

	Land	Buildings and construction	Computer equipment	Transportation equipment	Other equipment	Leasehold improvement	Total
Cost:							
Balance at January 1, 2026	$ 1,111,142	547,522	245,337	579	62,918	9,632	1,977,130
Additions	-	-	2,555	-	26	-	2,581
Scrap	-	-	(488)	-	(7)	-	(495)
Balance at March 31, 2026	1,111,142	547,522	247,404	579	62,937	9,632	1,979,216
Balance at January 1, 2025	1,116,493	539,357	215,117	579	58,918	8,091	1,938,555
Additions	-	4,531	16,249	-	946	666	22,392
Disposal	(5,351)	(36)	-	-	-	-	(5,387)
Scrap	-	-	(1,033)	-	(324)	-	(1,357)
Balance at March 31, 2025	1,111,142	543,852	230,333	579	59,540	8,757	1,954,203
Accumulated depreciation and impairment loss:							
Balance at January 1, 2026	15,196	227,064	186,155	579	51,501	4,217	484,712
Depreciation	-	4,587	5,489	-	1,133	489	11,698
Scrap	-	-	(488)	-	(7)	-	(495)
Balance at March 31, 2026	15,196	231,651	191,156	579	52,627	4,706	495,915
Balance at January 1, 2025	15,196	209,527	174,867	579	49,179	2,381	451,729
Depreciation	-	4,175	3,980	-	975	390	9,520
Disposal	-	(22)	-	-	-	-	(22)
Scrap	-	-	(1,033)	-	(324)	-	(1,357)
Balance at March 31, 2025	15,196	213,680	177,814	579	49,830	2,771	459,870
Carrying amount:							
January 1, 2026	**$ 1,095,946**	**320,458**	**59,182**	**-**	**11,417**	**5,415**	**1,492,418**
March 31, 2026	**$ 1,095,946**	**315,871**	**56,248**	**-**	**10,310**	**4,926**	**1,483,301**
January 1, 2025	**$ 1,101,297**	**329,830**	**40,250**	**-**	**9,739**	**5,710**	**1,486,826**
March 31, 2025	**$ 1,095,946**	**330,172**	**52,519**	**-**	**9,710**	**5,986**	**1,494,333**

As of March 31, 2026, December 31 and March 31, 2025, the Company's property, plant and equipment had not been pledged as collateral, and there are no restrictions on the ownership of overseas real estate.

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(f) Right-of-use assets

The changes in the Company's costs and depreciation of leasing buildings and construction, transportation equipment were as follows:

		Buildings and construction	Transportation equipment	Total
Cost of right-of-use assets:				
January 1, 2026	$	27,055	10,341	37,396
Additions		1,261	-	1,261
Derecognition		(1,233)	-	(1,233)
March 31, 2026	**$**	**27,083**	**10,341**	**37,424**
January 1, 2025	$	26,427	11,634	38,061
Additions		16,951	2,482	19,433
Derecognition		(16,988)	(3,839)	(20,827)
March 31, 2025	**$**	**26,390**	**10,277**	**36,667**
Depreciation of right-of-use assets:				
January 1, 2026	$	12,372	4,753	17,125
Depreciation		3,017	862	3,879
Derecognition		(1,233)	-	(1,233)
March 31, 2026	**$**	**14,156**	**5,615**	**19,771**
January 1, 2025	$	19,009	5,841	24,850
Depreciation		3,160	963	4,123
Derecognition		(16,754)	(3,839)	(20,593)
March 31, 2025	**$**	**5,415**	**2,965**	**8,380**
Carrying amount:				
January 1, 2026	**$**	**14,683**	**5,588**	**20,271**
March 31, 2026	**$**	**12,927**	**4,726**	**17,653**
January 1, 2025	**$**	**7,418**	**5,793**	**13,211**
March 31, 2025	**$**	**20,975**	**7,312**	**28,287**

(g) Lease liabilities

The Company's lease liabilities were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Less than one year	$ 14,036	14,789	14,670
Between one and five years	3,771	5,666	13,735
Total	**$ 17,807**	**20,455**	**28,405**

The maturity analysis please refer to Note 6(w) financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Interest on lease liabilities	**$ 127**	**131**

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

	For the three months ended March 31, 2026	For the three months ended March 31, 2025
Total cash outflow for leases	**$ 4,036**	**4,273**

(i) Leases of buildings and construction

The Company leases buildings and construction as offices with usual lease terms of 1 to 5 years.

(ii) Other leases

The Company leases transportation equipment with lease terms of 1 to 3 years.

(h) Insurance contract

The insurance products issued by the Company have been assessed under IFRS 17 as transferring significant insurance risk and are therefore classified as insurance contracts. The Company does not issue any investment contracts with discretionary participation features.

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Notes to the Financial Statements

(i) Reconciliation of Insurance Contract Assets and Liabilities

For the three months ended March 31, 2026	Liabilities for remaining coverage			Liabilities for incurred claims under the General Measurement Model and the Variable Fee Approach	Liabilities for incurred claims measured under the Premium Allocation Approach			Total
	Excluding any loss component	**Including any loss component**	**Subtotal**		**Estimated present value of future cash flows**	**Risk adjustment for non-financial risks**	**Subtotal**	
Balance at January 1, 2026 - insurance contract assets	$ 892	-	892	-	(143)	(12)	(155)	737
Balance at January 1, 2026 - insurance contract liabilities	(5,716,518)	(26,251)	(5,742,769)	(2,489,127)	(4,888,885)	(325,949)	(5,214,834)	(13,446,730)
Net balance at January 1, 2026	(5,715,626)	(26,251)	(5,741,877)	(2,489,127)	(4,889,028)	(325,961)	(5,214,989)	(13,445,993)
Insurance revenue								
Contracts under the Modified Retrospective Approach	77,913	-	77,913	-	-	-	-	77,913
All other contracts	3,487,888	-	3,487,888	-	-	-	-	3,487,888
Subtotal - insurance revenue	3,565,801	-	3,565,801	-	-	-	-	3,565,801
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-	-	(154,220)	(2,017,494)	(76,565)	(2,094,059)	(2,248,279)
Changes related to past service - changes in fulfilment cash flows related to LIC	-	-	-	19,578	499,464	126,582	626,046	645,624
Changes related to future service – losses and reversals on onerous contract groups	-	(83,472)	(83,472)	-	-	-	-	(83,472)
Amortization of insurance acquisition cash flows	(742,715)	-	(742,715)	-	-	-	-	(742,715)
Subtotal - insurance service expenses	(742,715)	(83,472)	(826,187)	(134,642)	(1,518,030)	50,017	(1,468,013)	(2,428,842)
Insurance service result	2,823,086	(83,472)	2,739,614	(134,642)	(1,518,030)	50,017	(1,468,013)	1,136,959
Insurance finance income or expenses								
Insurance finance income or expense – interest	(1,785)	(1,055)	(2,840)	(5,156)	(12,218)	(776)	(12,994)	(20,990)
Subtotal – insurance finance income or expenses	(1,785)	(1,055)	(2,840)	(5,156)	(12,218)	(776)	(12,994)	(20,990)

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

	Liabilities for remaining coverage				Liabilities for incurred claims measured under the Premium Allocation Approach			
For the three months ended March 31, 2026	**Excluding any loss component**	**Including any loss component**	**Subtotal**	**Liabilities for incurred claims under the General Measurement Model and the Variable Fee Approach**	**Estimated present value of future cash flows**	**Risk adjustment for non-financial risks**	**Subtotal**	**Total**
Cash flows during the period								
Premiums received from insurance contracts issued	(3,906,036)	-	(3,906,036)	-	-	-	-	(3,906,036)
Claims and other insurance service expenses paid	-	-	-	156,832	1,678,857	-	1,678,857	1,835,689
Insurance acquisition cash flows	735,706	-	735,706	-	-	-	-	735,706
Subtotal - cash flows during the period	(3,170,330)	-	(3,170,330)	156,832	1,678,857	-	1,678,857	(1,334,641)
Balance at March 31, 2026 - insurance contract assets	2,578	-	2,578	-	(6)	(1)	(7)	2,571
Balance at March 31, 2026 - insurance contract liabilities	(6,067,233)	(110,778)	(6,178,011)	(2,472,093)	(4,740,413)	(276,719)	(5,017,132)	(13,667,236)
Net balance at March 31, 2026	**$ (6,064,655)**	**(110,778)**	**(6,175,433)**	**(2,472,093)**	**(4,740,419)**	**(276,720)**	**(5,017,139)**	**(13,664,665)**

(Continued)

UNION INSURANCE CO., LTD.
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For the three months ended March 31, 2025	Liabilities for remaining coverage			Liabilities for incurred claims under the General Measurement Model and the Variable Fee Approach	Liabilities for incurred claims measured under the Premium Allocation Approach			Total
	Excluding any loss component	Including any loss component	Subtotal		Estimated present value of future cash flows	Risk adjustment for non-financial risks	Subtotal	
Balance at January 1, 2025 - insurance contract assets	$ 890	-	890	-	(240)	(41)	(281)	609
Balance at January 1, 2025 - insurance contract liabilities	(5,501,415)	(6,716)	(5,508,131)	(1,136,784)	(5,062,232)	(357,468)	(5,419,700)	(12,064,615)
Net balance at January 1, 2025	(5,500,525)	(6,716)	(5,507,241)	(1,136,784)	(5,062,472)	(357,509)	(5,419,981)	(12,064,006)
Insurance revenue								
Contracts under the Modified Retrospective Approach	94,375	-	94,375	-	-	-	-	94,375
All other contracts	3,408,856	-	3,408,856	-	-	-	-	3,408,856
Subtotal - insurance revenue	3,503,231	-	3,503,231	-	-	-	-	3,503,231
Insurance service expenses								
Incurred claims (excluding investment components) and other incurred insurance service expenses	-	-	-	(113,573)	(2,390,746)	(143,122)	(2,533,868)	(2,647,441)
Changes related to past service - changes in fulfilment cash flows related to LIC	-	-	-	(51,987)	617,980	156,855	774,835	722,848
Changes related to future service – losses and reversals on onerous contract groups	-	(81,028)	(81,028)	-	-	-	-	(81,028)
Amortization of insurance acquisition cash flows	(735,942)	-	(735,942)	-	-	-	-	(735,942)
Subtotal - insurance service expenses	(735,942)	(81,028)	(816,970)	(165,560)	(1,772,766)	13,733	(1,759,033)	(2,741,563)
Insurance service result	2,767,289	(81,028)	2,686,261	(165,560)	(1,772,766)	13,733	(1,759,033)	761,668
Insurance finance income or expenses								
Insurance finance income or expense – interest	(5,238)	(906)	(6,144)	(3,854)	(19,501)	(1,437)	(20,938)	(30,936)
Subtotal – insurance finance income or expenses	(5,238)	(906)	(6,144)	(3,854)	(19,501)	(1,437)	(20,938)	(30,936)
Total amount recognized in the statement of comprehensive income	2,762,051	(81,934)	2,680,117	(169,414)	(1,792,267)	12,296	(1,779,971)	730,732

(Continued)

UNION INSURANCE CO., LTD.
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For the three months ended March 31, 2025	Liabilities for remaining coverage: Excluding any loss component	Liabilities for remaining coverage: Including any loss component	Liabilities for remaining coverage: Subtotal	Liabilities for incurred claims under the General Measurement Model and the Variable Fee Approach	Liabilities for incurred claims measured under the Premium Allocation Approach: Estimated present value of future cash flows	Liabilities for incurred claims measured under the Premium Allocation Approach: Risk adjustment for non-financial risks	Liabilities for incurred claims measured under the Premium Allocation Approach: Subtotal	Total
Cash flows during the period								
Premiums received from insurance contracts issued	(3,726,416)	-	(3,726,416)	-	-	-	-	(3,726,416)
Claims and other insurance service expenses paid	-	-	-	132,244	1,794,484	-	1,794,484	1,926,728
Insurance acquisition cash flows	752,070	-	752,070	-	-	-	-	752,070
Subtotal - cash flows during the period	(2,974,346)	-	(2,974,346)	132,244	1,794,484	-	1,794,484	(1,047,618)
Balance at March 31, 2025 - insurance contract assets	-	-	-	-	-	-	-	-
Balance at March 31, 2025 - insurance contract liabilities	(5,712,820)	(88,650)	(5,801,470)	(1,173,954)	(5,060,255)	(345,213)	(5,405,468)	(12,380,892)
Net balance at March 31, 2025	**$ (5,712,820)**	**(88,650)**	**(5,801,470)**	**(1,173,954)**	**(5,060,255)**	**(345,213)**	**(5,405,468)**	**(12,380,892)**

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Notes to the Financial Statements

(ii) Reconciliation of Components of Insurance Contract Assets and Liabilities (excluding the Premium Allocation Approach)

			Contractual service margin				
For the three months ended March 31, 2026	**Estimated present value of future cash flows**	**Risk adjustment for non-financial risks**	**Contracts under the modified retrospective approach**	**Contracts under the fair value approach**	**All other contracts**	**Subtotal**	**Total**
Balance at January 1, 2026 - insurance contract assets	$ -	-	-	-	-	-	-
Balance at January 1, 2026 - insurance contract liabilities	(2,869,009)	(416,386)	(350,778)	-	(359,689)	(710,467)	(3,995,862)
Net balance at January 1, 2026	(2,869,009)	(416,386)	(350,778)	-	(359,689)	(710,467)	(3,995,862)
Changes related to future service							
Changes in estimates that adjust the contractual service margin	31,058	(5,838)	(2,368)	-	(22,852)	(25,220)	-
Effect of contracts initially recognized during the period	198,594	(40,079)	-	-	(158,515)	(158,515)	-
Subtotal – changes related to future service	229,652	(45,917)	(2,368)	-	(181,367)	(183,735)	-
Changes related to current service							
Contractual service margin recognized in profit or loss for services provided	-	-	40,228	-	70,428	110,656	110,656
Changes in risk adjustment not related to future or past service	-	22,102	-	-	-	-	22,102
Experience adjustments	77,566	-	-	-	-	-	77,566
Subtotal - changes related to current service	77,566	22,102	40,228	-	70,428	110,656	210,324
Changes related to past service							
Changes in fulfilment cash flows relating to incurred claims	5,709	13,869	-	-	-	-	19,578
Subtotal - changes related to past service	5,709	13,869	-	-	-	-	19,578
Insurance finance income or expenses							
Insurance finance income or expense - interest	(3,569)	(359)	(1,311)	-	(1,702)	(3,013)	(6,941)
Subtotal - insurance finance income or expenses	(3,569)	(359)	(1,311)	-	(1,702)	(3,013)	(6,941)
Total Recognized in Comprehensive Income	309,358	(10,305)	36,549	-	(112,641)	(76,092)	222,961

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For the three months ended March 31, 2026	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin: Contracts under the modified retrospective approach	Contractual service margin: Contracts under the fair value approach	Contractual service margin: All other contracts	Contractual service margin: Subtotal	Total
Cash flows during the period							
Premiums received from insurance contracts issued	(567,733)	-	-	-	-	-	(567,733)
Claims and other insurance service expenses paid	156,833	-	-	-	-	-	156,833
Insurance acquisition cash flows	80,605	-	-	-	-	-	80,605
Subtotal - cash flows during the period	(330,295)	-	-	-	-	-	(330,295)
Balance at March 31, 2026 - insurance contract assets	-	-	-	-	-	-	-
Balance at March 31, 2026 - insurance contract liabilities	(2,889,946)	(426,691)	(314,229)	-	(472,330)	(786,559)	(4,103,196)
Net balance at March 31, 2026	**$ (2,889,946)**	**(426,691)**	**(314,229)**	**-**	**(472,330)**	**(786,559)**	**(4,103,196)**

(Continued)

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For the three months ended March 31, 2025	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin: Contracts under the modified retrospective approach	Contractual service margin: Contracts under the fair value approach	Contractual service margin: All other contracts	Contractual service margin: Subtotal	Total
Balance at January 1, 2025 - insurance contract assets	$ -	-	-	-	-	-	-
Balance at January 1, 2025 - insurance contract liabilities	(1,543,137)	(221,195)	(418,044)	-	(214,303)	(632,347)	(2,396,679)
Net balance at January 1, 2025	(1,543,137)	(221,195)	(418,044)	-	(214,303)	(632,347)	(2,396,679)
Changes related to future service							
Changes in estimates that adjust the contractual service margin	41,412	(4,860)	(27,458)	-	(9,094)	(36,552)	-
Effect of contracts initially recognized during the period	135,165	(36,625)	-	-	(98,540)	(98,540)	-
Subtotal – changes related to future service	176,577	(41,485)	(27,458)	-	(107,634)	(135,092)	-
Changes related to current service							
Contractual service margin recognized in profit or loss for services provided	-	-	39,095	-	46,974	86,069	86,069
Changes in risk adjustment not related to future or past service	-	20,262	-	-	-	-	20,262
Experience adjustments	93,987	-	-	-	-	-	93,987
Subtotal - changes related to current service	93,987	20,262	39,095	-	46,974	86,069	200,318
Changes related to past service							
Changes in fulfilment cash flows relating to incurred claims	(41,093)	(10,894)	-	-	-	-	(51,987)
Subtotal - changes related to past service	(41,093)	(10,894)	-	-	-	-	(51,987)
Insurance finance income or expenses							
Insurance finance income or expense - interest	(6,173)	(849)	(1,002)	-	(1,069)	(2,071)	(9,093)
Subtotal - insurance finance income or expenses	(6,173)	(849)	(1,002)	-	(1,069)	(2,071)	(9,093)
Cash flows during the period							
Premiums received from insurance contracts issued	(559,796)	-	-	-	-	-	(559,796)
Claims and other insurance service expenses paid	132,244	-	-	-	-	-	132,244
Insurance acquisition cash flows	83,091	-	-	-	-	-	83,091
Subtotal - cash flows during the period	(344,461)	-	-	-	-	-	(344,461)
Balance at December 31, 2025 - insurance contract assets	-	-	-	-	-	-	-
Balance at December 31, 2025 - insurance contract liabilities	(1,664,300)	(254,161)	(407,409)	-	(276,032)	(683,441)	(2,601,902)
Net balance at December 31, 2025	$ **(1,664,300)**	**(254,161)**	**(407,409)**	-	**(276,032)**	**(683,441)**	**(2,601,902)**

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Effect on the statement of financial position of insurance contracts initially recognized during the period (excluding those measured under the Premium Allocation Approach)

	For the three months ended March 31, 2026				
	Insurance contracts issued		Contracts acquired in a transfer or business combination		
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Total
Estimate present value of future cash outflows					
Insurance acquisition cash flows	$ (92,590)	-	-	-	(92,590)
Claims and other directly attributable expenses	(246,895)	-	-	-	(246,895)
Subtotal	(339,485)	-	-	-	(339,485)
Estimate present value of future cash inflows	538,079	-	-	-	538,079
Risk adjustment for non-financial risks	(40,079)	-	-	-	(40,079)
Contractual service margin	(158,515)	-	-	-	(158,515)
Effect of contracts initially recognized during the period	$ -	-	-	-	-

	For the three months ended March 31, 2025				
	Insurance contracts issued		Contracts acquired in a transfer or business combination		
	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Total
Estimate present value of future cash outflows					
Insurance acquisition cash flows	$ (84,344)	-	-	-	(84,344)
Claims and other directly attributable expenses	(232,738)	-	-	-	(232,738)
Subtotal	(317,082)	-	-	-	(317,082)
Estimate present value of future cash inflows	452,247	-	-	-	452,247
Risk adjustment for non-financial risks	(36,625)	-	-	-	(36,625)
Contractual service margin	(98,540)	-	-	-	(98,540)
Effect of contracts initially recognized during the period	$ -	-	-	-	-

(iv) Expected release of the contractual service margin of insurance contracts issued that are not measured under the Premium Allocation Approach

March 31, 2026	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
Insurance contracts issued	$ 33,279	66,556	66,556	620,168	786,559

December 31, 2025	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
Insurance contracts issued	$ 30,287	60,575	60,575	559,030	710,467

March 31, 2025	Within 1 year	1-3 years	3-5 years	Over 5 years	Total
Insurance contracts issued	$ 28,494	56,989	56,989	540,968	683,440

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(i) Reinsurance contracts

(i) Reconciliation of Reinsurance Contracts Held - Assets and Liabilities

For the three months ended March 31, 2026	Asset for remaining coverage: Excluding loss-recovery component	Asset for remaining coverage: Loss-recovery component	Asset for remaining coverage: Subtotal	Asset for incurred claims under the General Measurement Model	Asset for incurred claims measured under the Premium Allocation Approach: Estimated present value of future cash flows	Asset for incurred claims measured under the Premium Allocation Approach: Risk adjustment for non-financial risks	Asset for incurred claims measured under the Premium Allocation Approach: Subtotal	Total
Balance at January 1, 2026 - reinsurance contract assets held	$ 1,456,902	6,953	1,463,855	1,652,344	2,699,221	369,661	3,068,882	6,185,081
Balance at January 1, 2026 - reinsurance contract liabilities held	(6,558)	-	(6,558)	-	(407)	(59)	(466)	(7,024)
Net balance at January 1, 2026	1,450,344	6,953	1,457,297	1,652,344	2,698,814	369,602	3,068,416	6,178,057
Allocation of premiums paid	(909,320)	-	(909,320)	-	-	-	-	(909,320)
The amounts recovered from the reinsurer								
Reinsurance recoveries on incurred claims and benefits	-	-	-	(45,840)	354,984	26,145	381,129	335,289
Recoveries of losses and reversals on underlying onerous contract groups	-	50,906	50,906	-	-	-	-	50,906
Changes related to past service - adjustments to assets for incurred claims	-	-	-	89,788	(176,783)	(204,450)	(381,233)	(291,445)
Subtotal - amounts recovered from reinsurers	-	50,906	50,906	43,948	178,201	(178,305)	(104)	94,750
Effect of changes in the risk of non-performance of the reinsurer	(3,331)	-	(3,331)	(3,730)	10,420	-	10,420	3,359

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

For the three months ended March 31, 2026	Asset for remaining coverage: Excluding loss-recovery component	Asset for remaining coverage: Loss-recovery component	Asset for remaining coverage: Subtotal	Asset for incurred claims under the General Measurement Model	Asset for incurred claims measured under the Premium Allocation Approach: Estimated present value of future cash flows	Asset for incurred claims measured under the Premium Allocation Approach: Risk adjustment for non-financial risks	Asset for incurred claims measured under the Premium Allocation Approach: Subtotal	Total
Finance income or expenses of reinsurance contracts held								
Finance income or expenses of reinsurance contracts held – interest	(109)	442	333	2,907	6,110	806	6,916	10,156
Subtotal - finance income or expenses of reinsurance contracts held	(109)	442	333	2,907	6,110	806	6,916	10,156
Cash flows during the period								
Amounts received (reinsurance recoveries)	-	-	-	(18,931)	(844,873)	-	(844,873)	(863,804)
Amounts paid (reinsurance premiums paid)	862,222	-	862,222	-	-	-	-	862,222
Subtotal - cash flows during the period	862,222	-	862,222	(18,931)	(844,873)	-	(844,873)	(1,582)
Balance at March 31, 2026 - reinsurance contract assets held	1,448,596	58,301	1,506,897	1,676,538	2,027,537	190,740	2,218,277	5,401,712
Balance at March 31, 2026 - reinsurance contract liabilities held	(48,790)	-	(48,790)	-	21,135	1,363	22,498	(26,292)
Net balance at March 31, 2026	**$ 1,399,806**	**58,301**	**1,458,107**	**1,676,538**	**2,048,672**	**192,103**	**2,240,775**	**5,375,420**

(Continued)

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Notes to the Financial Statements

For the three months ended March 31, 2025	Asset for remaining coverage: Excluding loss-recovery component	Asset for remaining coverage: Loss-recovery component	Asset for remaining coverage: Subtotal	Asset for incurred claims under the General Measurement Model	Asset for incurred claims measured under the Premium Allocation Approach: Estimated present value of future cash flows	Asset for incurred claims measured under the Premium Allocation Approach: Risk adjustment for non-financial risks	Asset for incurred claims measured under the Premium Allocation Approach: Subtotal	Total
Balance at January 1, 2025 - reinsurance contract assets held	$ 1,428,943	8,899	1,437,842	690,464	2,293,304	241,095	2,534,399	4,662,705
Balance at January 1, 2025 - reinsurance contract liabilities held	(35,144)	-	(35,144)	-	14,713	868	15,581	(19,563)
Net balance at January 1, 2025	1,393,799	8,899	1,402,698	690,464	2,308,017	241,963	2,549,980	4,643,142
Allocation of premiums paid	(987,432)	-	(987,432)	-	-	-	-	(987,432)
The amounts recovered from the reinsurer								
Reinsurance recoveries on incurred claims and benefits	-	-	-	25,327	583,732	83,496	667,228	692,555
Recoveries of losses and reversals on underlying onerous contract groups	-	62,289	62,289	-	-	-	-	62,289
Changes related to past service - adjustments to assets for incurred claims	-	-	-	28,167	(70,777)	(48,588)	(119,365)	(91,198)
Subtotal - amounts recovered from reinsurers	-	62,289	62,289	53,494	512,955	34,908	547,863	663,646
Effect of changes in the risk of non-performance of the reinsurer	(2,854)	-	(2,854)	(387)	6,235	-	6,235	2,994
Finance income or expenses of reinsurance contracts held								
Finance income or expenses of reinsurance contracts held – interest	2,140	316	2,456	2,338	9,102	1,032	10,134	14,928
Subtotal - finance income or expenses of reinsurance contracts held	2,140	316	2,456	2,338	9,102	1,032	10,134	14,928

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

For the three months ended March 31, 2025		Asset for remaining coverage			Asset for incurred claims under the General Measurement Model	Asset for incurred claims measured under the Premium Allocation Approach			
		Excluding loss-recovery component	Loss-recovery component	Subtotal		Estimated present value of future cash flows	Risk adjustment for non-financial risks	Subtotal	Total
Cash flows during the period									
Amounts received (reinsurance recoveries)		-	-	-	(35,658)	(455,025)	-	(455,025)	(490,683)
Amounts paid (reinsurance premiums paid)		954,339	-	954,339	-	-	-	-	954,339
Subtotal - cash flows during the period		954,339	-	954,339	(35,658)	(455,025)	-	(455,025)	463,656
Balance at March 31, 2025 - reinsurance contract assets held		1,410,295	71,504	1,481,799	710,251	2,358,820	275,642	2,634,462	4,826,512
Balance at March 31, 2025 - reinsurance contract liabilities held		(50,303)	-	(50,303)	-	22,464	2,261	24,725	(25,578)
Net balance at March 31, 2025	$	**1,359,992**	**71,504**	**1,431,496**	**710,251**	**2,381,284**	**277,903**	**2,659,187**	**4,800,934**

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(ii) Reconciliation of Reinsurance Contract Held Assets and Liabilities Components (excluding the Premium Allocation Approach)

For the three months ended March 31, 2026	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin: Contracts under the modified retrospective approach	Contractual service margin: Contracts under the fair value approach	Contractual service margin: All other contracts	Contractual service margin: Subtotal	Total
Balance at January 1, 2026 - reinsurance contract assets held	$ 1,699,956	363,399	189,561	-	164,152	353,713	2,417,068
Balance at January 1, 2026 - reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance at January 1, 2026	1,699,956	363,399	189,561	-	164,152	353,713	2,417,068
Changes related to future service							
Changes in estimates that adjust the contractual service margin	(147,725)	58,518	1,733	-	87,474	89,207	-
Effect of contracts initially recognized during the period	(53,496)	14,471	-	-	39,025	39,025	-
Subtotal – changes related to future service	(201,221)	72,989	1,733	-	126,499	128,232	-
Changes related to current service							
Contractual service margin recognized in profit or loss for services provided	-	-	(29,899)	-	(30,636)	(60,535)	(60,535)
Changes in risk adjustment not related to future or past service	-	(24,465)	-	-	-	-	(24,465)
Experience adjustments	(93,225)	-	-	-	-	-	(93,225)
Subtotal - changes related to current service	(93,225)	(24,465)	(29,899)	-	(30,636)	(60,535)	(178,225)
Changes related to past service							
Adjustments to assets for incurred claims	79,648	10,140	-	-	-	-	89,788
Subtotal - changes related to past service	79,648	10,140	-	-	-	-	89,788
Effect of changes in the risk of non-performance of the reinsurer	(7,061)	-	-	-	-	-	(7,061)
Income or expenses of reinsurance contracts held	(221,859)	58,664	(28,166)	-	95,863	67,697	(95,498)
Finance income or expenses of reinsurance contracts held							
Finance income or expenses of reinsurance contracts held – interest	1,195	140	715	-	748	1,463	2,798
Subtotal - finance income or expenses of reinsurance contracts held	1,195	140	715	-	748	1,463	2,798

(Continued)

UNION INSURANCE CO., LTD.
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For the three months ended March 31, 2026	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin: Contracts under the modified retrospective approach	Contractual service margin: Contracts under the fair value approach	Contractual service margin: All other contracts	Contractual service margin: Subtotal	Total
Cash flows during the period							
Amounts received (reinsurance recoveries)	(18,931)	-	-	-	-	-	(18,931)
Amounts paid (reinsurance premiums paid)	183,563	-	-	-	-	-	183,563
Subtotal - cash flows during the period	164,632	-	-	-	-	-	164,632
Balance at March 31, 2026 - reinsurance contract assets held	1,643,924	422,203	162,110	-	260,763	422,873	2,489,000
Balance at March 31, 2026 - reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance at March 31, 2026	**$ 1,643,924**	**422,203**	**162,110**	**-**	**260,763**	**422,873**	**2,489,000**

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

For the three months ended March 31, 2025	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin				Total
			Contracts under the modified retrospective approach	Contracts under the fair value approach	All other contracts	Subtotal	
Balance at January 1, 2025 - reinsurance contract assets held	$ 795,193	181,484	234,356	-	75,468	309,824	1,286,501
Balance at January 1, 2025 - reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance at January 1, 2025	-	-	-	-	-	-	-
Changes related to future service							
Changes in estimates that adjust the contractual service margin	(111,520)	56,146	20,433	-	34,941	55,374	-
Effect of contracts initially recognized during the period	(15,641)	10,319	-	-	5,322	5,322	-
Subtotal – changes related to future service	(127,161)	66,465	20,433	-	40,263	60,696	-
Changes related to current service							
Contractual service margin recognized in profit or loss for services provided	-	-	(27,399)	-	(15,615)	(43,014)	(43,014)
Changes in risk adjustment not related to future or past service	-	(9,149)	-	-	-	-	(9,149)
Experience adjustments	(23,795)	-	-	-	-	-	(23,795)
Subtotal - changes related to current service	(23,795)	(9,149)	(27,399)	-	(15,615)	(43,014)	(75,958)
Changes related to past service							
Adjustments to assets for incurred claims	19,303	8,864	-	-	-	-	28,167
Subtotal - changes related to past service	19,303	8,864	-	-	-	-	28,167
Effect of changes in the risk of non-performance of the reinsurer	(3,241)	-	-	-	-	-	(3,241)
Income or expenses of reinsurance contracts held	(134,894)	66,181	(6,966)	-	24,648	17,682	(51,031)
Finance income or expenses of reinsurance contracts held							
Finance income or expenses of reinsurance contracts held – interest	2,960	641	574	-	302	876	4,477
Subtotal - finance income or expenses of reinsurance contracts held	2,960	641	574	-	302	876	4,477

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

For the three months ended March 31, 2025	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Contractual service margin: Contracts under the modified retrospective approach	Contractual service margin: Contracts under the fair value approach	Contractual service margin: All other contracts	Contractual service margin: Subtotal	Total
Cash flows during the period							
Amounts received (reinsurance recoveries)	(35,658)	-	-	-	-	-	(35,658)
Amounts paid (reinsurance premiums paid)	183,106	-	-	-	-	-	183,106
Subtotal - cash flows during the period	147,448	-	-	-	-	-	147,448
Balance at March 31, 2025 - reinsurance contract assets held	810,707	248,305	227,964	-	100,418	328,382	1,387,394
Balance at March 31, 2025 - reinsurance contract liabilities held	-	-	-	-	-	-	-
Net balance at March 31, 2025	$ **810,707**	**248,305**	**227,964**	**-**	**100,418**	**328,382**	**1,387,394**

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Effect of reinsurance contracts held initially recognized during the period (excluding those measured under the Premium Allocation Approach)

	For the three months ended March 31, 2026		
	Reinsurance contracts held	**Reinsurance contracts in a transfer or business combination**	**Total**
Estimate of the present value of future cash outflows	$ (98,617)	-	(98,617)
Estimate of the present value of future cash inflows	45,121	-	45,121
Risk adjustment for non-financial risks	14,471	-	14,471
Contractual Service Margin	39,025	-	39,025
Effect of contracts initially recognized during the period	$ -	-	-

	For the three months ended March 31, 2025		
	Reinsurance contracts held	**Reinsurance contracts in a transfer or business combination**	**Total**
Estimate of the present value of future cash outflows	$ (47,819)	-	(47,819)
Estimate of the present value of future cash inflows	32,177	-	32,177
Risk adjustment for non-financial risks	10,320	-	10,320
Contractual Service Margin	5,322	-	5,322
Effect of contracts initially recognized during the period	$ -	-	-

(iv) Expected timing of recognition in profit or loss of the contractual service margin for reinsurance contracts held

March 31, 2026	**Within 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Reinsurance contracts held	**$ 18,604**	**37,208**	**111,624**	**255,437**	**422,873**

December 31, 2025	**Within 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Reinsurance contracts held	**$ 15,931**	**31,863**	**95,589**	**210,330**	**353,713**

March 31, 2025	**Within 1 year**	**1-3 years**	**3-5 years**	**Over 5 years**	**Total**
Reinsurance contracts held	**$ 15,931**	**31,863**	**95,590**	**184,998**	**328,382**

(Continued)

(j) Inputs, assumptions and estimates used in the measurement of insurance and reinsurance contracts

The Company uses the following inputs and valuation techniques, including significant estimates, to comply with the measurement requirements of International Financial Reporting Standard 17 (IFRS 17).

(i) Fulfilment cash flows

1) Estimation of future cash flows

In estimating future cash flows, the Company determines expected values or probability-weighted averages based on all possible outcomes. The Company incorporates all reasonable and supportable information in an unbiased manner, including internal and external information. Such estimates are updated to reflect current payment experience, other relevant historical experience data, and current expectations of future events.

The estimates of future cash flows reflect the Company's view of conditions at the reporting date and are consistent with observable market prices for relevant market variables. In estimating future cash flows, the Company considers current expectations of future events that may affect such cash flows. However, such estimates do not take into account changes in legislation that have not been substantively enacted at the reporting date, including expectations of future legislative changes that would alter or extinguish existing obligations or create new obligations under existing contracts.

If cash flows arise from substantive rights and obligations that exist during the reporting period, they are included within the contract boundary. Such cash flows are directly related to the fulfilment of the contract, and included cash flows to (or on behalf of) policyholders, insurance acquisition cash flows, and other costs directly attributable to the fulfilment of the contract.

Cash flows from insurance acquisition relate to the sale, underwriting and initiation of a group of insurance contracts, and are directly attributable to the portfolio of insurance contracts to which that group belongs. Other costs of fulfilling contracts include claims handling, maintenance and administrative expenses.

Cash flows from insurance acquisition and other costs of fulfilling contracts include both directly attributable costs and an allocation of fixed and variable overheads.

2) Risk adjustment for non-financial risk

The Company adjusts the estimated present value of future cash flows to reflect the uncertainty in the amount and timing of cash flows arising from non-financial risk. The Company uses a confidence level technique (75%) to determine the risk adjustment for non-financial risk.

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

3) Discount rates

In measuring insurance contracts and reinsurance contracts held, the Company adjusts the present value of future cash flows using current discount rates to reflect the time value of money and the financial risks associated with those cash flows.

For cash flows of insurance contracts that do not vary with returns on underlying items, the Company determines the discount rates using a bottom-up approach by adjusting risk-free yield curves to reflect differences between the liquidity characteristics of financial instruments observed in the market and those of insurance contracts. For the discount rates applied in measuring the cash flows of insurance contract liabilities and reinsurance contract assets and liabilities, please refer to Note 6(v) for further details.

(k) Other liabilities

	March 31, 2026	December 31, 2025	March 31, 2025
Advance receipts	$ 2,373	2,838	2,370
Guarantee deposits received	9,929	12,129	10,011
Temporary receipts	249,057	322,023	272,312
Special provisions	2,014,431	886,136	844,029
Total	**$ 2,275,790**	**1,223,126**	**1,128,722**

(i) Special provisions

1) Details of the Company’s special provisions are as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Compulsory automobile liability insurance special provisions	$ 184,199	212,129	116,206
Non-compulsory automobile liability insurance special provisions	1,826,076	669,851	723,667
Others	4,156	4,156	4,156
	$ 2,014,431	**886,136**	**844,029**

UNION INSURANCE CO., LTD.
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2) The movements in the aforementioned special provisions are as follows:

a) Special reserve – Compulsory Automobile Liability Insurance

	For the three months ended March 31,	
	2026	**2025**
Beginning balance	$ 212,129	132,273
Provision	3,110	3,082
Recovery	(31,040)	(19,149)
Ending balance	**$ 184,199**	**116,206**

b) Special reserve – Non-Compulsory Automobile Liability Insurance

	For the three months ended March 31, 2026					
	Special provision recognized as a liability			Special provision recognized as a special reserve		
	Catastrophic risk	Contingency risk	Total	Catastrophic risk	Contingency risk	Total
Beginning balance	$ 86,283	583,568	669,851	1,228,753	2,501,435	3,730,188
Provision	403,747	753,727	1,157,474	-	-	-
Recovery	1,249	-	1,249	-	-	-
Ending balance	**$ 488,781**	**1,337,295**	**1,826,076**	**1,228,753**	**2,501,435**	**3,730,188**

	For the three months ended March 31, 2025					
	Special provision recognized as a liability			Special provision recognized as a special reserve		
	Catastrophic risk	Contingency risk	Total	Catastrophic risk	Contingency risk	Total
Beginning balance	$ 91,348	633,568	724,916	1,106,799	2,223,235	3,330,034
Recovery	1,249	-	1,249	-	-	-
Ending balance	**$ 90,099**	**633,568**	**723,667**	**1,106,799**	**2,223,235**	**3,330,034**

In accordance with FSC Jin-Guan-Bao-Cai No. 11504111391, "Directions for Strengthening Catastrophe Reserves of the Property Insurance Industry," FSC Jin-Guan-Bao-Chan No. 10102531541,"Directions for Strengthening Reserves of Members of the Residential Earthquake Insurance Pool," and FSC Jin-Guan-Bao Cai No. 10102517091, "Regulations Governing the Establishment of Various Reserves for Nuclear Insurance by Property Insurance Enterprises," the Company recognized special reserves as liabilities prior to December 31, 2012. As the balance of such special reserves had not yet reached the required statutory level under the aforementioned regulations, the Company continued to recognize the full amount as liabilities from January 1, 2013. In addition, the Company reclassified special reserves for major claims and risk fluctuations of other lines of business to special reserves for major claims and risk fluctuations related to catastrophe insurance.

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In accordance with the “Matters for Compliance Regarding Catastrophe Reserves for the Property Insurance Industry,” the Company adopted IFRS 17 for the first time on January 1, 2026. The resulting impact (pre-tax amount of $1,157,474) was reclassified to special provisions for major claims and risk fluctuations classified as liabilities.

c) Special reserve -Other

In accordance with IFRS 1, First-time Adoption of International Financial Reporting Standards, and the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, the Company elected, upon transition to IFRSs in 2013, to use the revalued amounts of certain land and buildings under former ROC GAAP as their deemed cost. The related revaluation surplus was transferred directly to retained earnings. Pursuant to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, revaluation gains arising from investment property measured using the discounted cash flow method under contractual rental arrangements were appropriated to a special reserve. In addition, adjustments resulting from the recognition of previously unrecognized pension losses, transitional net benefit obligations, changes in defined benefit obligations arising from revised actuarial assumptions, and employees' compensated absences increased the special reserve by $4,156.

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(1) Insurance revenue

	For the three months ended March 31, 2026									
	Amounts under the General Measurement Model (GMM)				Amounts under the Premium Allocation Approach (PAA)			Total insurance revenue		
	Direct business	Reinsurance assumed	Subtotal	Amounts under the Variable Fee Approach (VFA) (Direct Business)	Direct business	Reinsurance assumed	Subtotal	Direct business	Reinsurance assumed	Total
Insurance revenue under the GMM and VFA										
Amounts related to changes in the liability for remaining coverage (LRC)										
Insurance revenue under premium allocation approach	$ 215,463	5,663	221,126	-	-	-	-	215,463	5,663	221,126
Contractual service margin recognized in profit or loss	108,714	1,942	110,656	-	-	-	-	108,714	1,942	110,656
Risk adjustment for non-financial risk	31,712	1,051	32,763	-	-	-	-	31,712	1,051	32,763
Other amounts	-	-	-	-	-	-	-	-	-	-
The allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	75,298	3,079	78,377	-	-	-	-	75,298	3,079	78,377
Subtotal - insurance revenue under the GMM and VFA	431,187	11,735	442,922	-	-	-	-	431,187	11,735	442,922
Insurance revenue under the PAA	-	-	-	-	3,001,272	121,607	3,122,879	3,001,272	121,607	3,122,879
Total	**$ 431,187**	**11,735**	**442,922**	**-**	**3,001,272**	**121,607**	**3,122,879**	**3,432,459**	**133,342**	**3,565,801**

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

	For the three months ended March 31, 2025									
	Amounts under the General Measurement Model (GMM)				Amounts under the Premium Allocation Approach (PAA)			Total insurance revenue		
	Direct business	Reinsurance assumed	Subtotal	Amounts under the Variable Fee Approach (VFA) (Direct Business)	Direct business	Reinsurance assumed	Subtotal	Direct business	Reinsurance assumed	Total
Insurance revenue under the GMM and VFA										
Amounts related to changes in the liability for remaining coverage (LRC)										
Insurance revenue under premium allocation approach	$ 193,922	7,207	201,129	-	-	-	-	193,922	7,207	201,129
Contractual service margin recognized in profit or loss	84,316	1,752	86,068	-	-	-	-	84,316	1,752	86,068
Risk adjustment for non-financial risk	25,415	1,278	26,693	-	-	-	-	25,415	1,278	26,693
Other amounts	-	-	-	-	-	-	-	-	-	-
The allocation of the portion of the premiums that relate to the recovery of insurance acquisition cash flows	70,638	3,694	74,332	-	-	-	-	70,638	3,694	74,332
Subtotal - insurance revenue under the GMM and VFA	374,291	13,931	388,222	-	-	-	-	374,291	13,931	388,222
Insurance revenue under the PAA	-	-	-	-	2,992,173	122,836	3,115,009	2,992,173	122,836	3,115,009
Total	**$ 374,291**	**13,931**	**388,222**	**-**	**2,992,173**	**122,836**	**3,115,009**	**3,366,464**	**136,767**	**3,503,231**

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(m) Insurance service expenses

For the three months ended March 31, 2026

	Amounts under the General Measurement Model (GMM)			Amounts under the Variable Fee Approach (VFA) (Direct Business)	Amounts under the Premium Allocation Approach (PAA)			Total insurance service expenses		
	Direct business	Reinsurance assumed	Subtotal		Direct business	Reinsurance assumed	Subtotal	Direct business	Reinsurance assumed	Total
Incurred claims	$ 119,648	9,817	129,465	-	1,807,493	134,561	1,942,054	1,927,141	144,378	2,071,519
Other incurred insurance service expenses	24,755	-	24,755	-	152,005	-	152,005	176,760	-	176,760
Changes related to past service - changes in fulfilment cash flows related to LIC	(16,261)	(3,317)	(19,578)	-	(576,719)	(49,327)	(626,046)	(592,980)	(52,644)	(645,624)
Changes related to future service – losses and reversals on onerous contract groups	-	-	-	-	42,849	40,623	83,472	42,849	40,623	83,472
Insurance acquisition cash flows										
Amortization	75,298	3,079	78,377	-	664,109	229	664,338	739,407	3,308	742,715
Total - insurance service expenses	**$ 203,440**	**9,579**	**213,019**	**-**	**2,089,737**	**126,086**	**2,215,823**	**2,293,177**	**135,665**	**2,428,842**

For the three months ended March 31, 2025

	Amounts under the General Measurement Model (GMM)			Amounts under the Variable Fee Approach (VFA) (Direct Business)	Amounts under the Premium Allocation Approach (PAA)			Total insurance service expenses		
	Direct business	Reinsurance assumed	Subtotal		Direct business	Reinsurance assumed	Subtotal	Direct business	Reinsurance assumed	Total
Incurred claims	$ 77,589	9,267	86,856	-	2,005,443	368,778	2,374,221	2,083,032	378,045	2,461,077
Other incurred insurance service expenses	26,717	-	26,717	-	159,647	-	159,647	186,364	-	186,364
Changes related to past service - changes in fulfilment cash flows related to LIC	48,340	3,647	51,987	-	(561,782)	(213,053)	(774,835)	(513,442)	(209,406)	(722,848)
Changes related to future service – losses and reversals on onerous contract groups	-	-	-	-	42,666	38,362	81,028	42,666	38,362	81,028
Insurance acquisition cash flows										
Amortization	70,638	3,694	74,332	-	661,066	544	661,610	731,704	4,238	735,942
Total - insurance service expenses	**$ 223,284**	**16,608**	**239,892**	**-**	**2,307,040**	**194,631**	**2,501,671**	**2,530,324**	**211,239**	**2,741,563**

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(n) Income or expenses from reinsurance contracts held

(i) Detailed Statement of Income or Expenses from Reinsurance Contracts Held

Item	For the three months ended March 31, 2026: Amount under the General Measurement Model (GMM)	2026: Amount under the Premium Allocation Approach (PAA)	2025: Amount under the General Measurement Model (GMM)	2025: Amount under the Premium Allocation Approach (PAA)
Allocation of premiums paid				
Related to changes in remaining coverage				
Expected recoveries of reinsurance claims and other reinsurance-related expenses	$ (54,487)	-	(45,199)	-
Changes in risk adjustment for non-financial risks	(17,365)	-	(13,071)	-
Contractual service margin recognized in profit or loss for services received	(60,535)	-	(43,014)	-
Contracts measured under the PAA	-	(776,933)	-	(886,148)
Subtotal	(132,387)	(776,933)	(101,284)	(886,148)
The amounts recovered from the reinsurer				
Reinsurance recoveries on incurred claims and benefits	(45,840)	381,129	25,327	667,228
Changes related to past service - adjustments to assets for incurred claims	89,788	(381,233)	28,167	(119,365)
Recoveries of losses and reversals on underlying onerous contract groups	-	50,906	-	62,289
Effect of changes in the risk of non-performance of the reinsurer	(7,061)	10,420	(3,241)	6,235
Subtotal	36,887	61,222	50,253	616,387
Net income (expenses) from reinsurance contracts held	**$ (95,500)**	**(715,711)**	**(51,031)**	**(269,761)**

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(o) Insurance finance income or expenses

The table below summarizes the details of insurance finance income or expenses and income or expenses from reinsurance contracts held:

	For the three months ended March 31,	
	2026	**2025**
Insurance finance income or expenses		
Interest recognized	$ (20,990)	(30,936)
Income or expenses from reinsurance contracts held		
Interest recognized	$ 10,156	14,928

(p) Operating lease

The Company leases out its investment properties. During the three months ended March 31, 2026 and 2025, there are no significant new operating lease agreements. Please refer to Notes 6(k) of the financial statements for the year ended December 31, 2025 for related information.

(q) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material workforce reduction, reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2025 and 2024.

The Company's expenses recognized in profit or loss amounted to $1,469 and $1,662 for the three months ended March 31, 2026 and 2025, respectively.

(ii) Defined contribution plan

The pension costs of the Company incurred from the contributions to the Bureau of the Labor Insurance amounted to $11,706 and $10,655 for the three months ended March 31, 2026 and 2025, respectively.

(r) Remunerations to employees and directors

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, at least 1% shall be allocated as employee remuneration (including a minimum of 0.5% to those base-level employees) and a maximum of 3% as remunerations for directors. Prior to the amendment, the Articles of Incorporation stipulated that, if the Company has annual profit, it should appropriate 1%～5% of the profit to its employees and no more than 5% to its directors as remunerations. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

For the three months ended March 31, 2026 and 2025, the Company estimated its employees remuneration were $7,500 and $5,000, respectively, and remunerations to directors were $1,350 and $1,500, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remunerations to employees and directors of each period, and after deducting accumulated losses, then multiplied by the percentage of remunerations to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or expenses for each period. If the actual amounts were subsequently decided after the approval and the issuance date of the financial statements in the following year differ from the estimated amount, the differences are accounted for as changes in accounting estimates and recognized in profit or loss in the following year. If the Board of Directors resolved to distribute the employees' remuneration in the form of shares, the number of shares of the distribution is based on the closing price of the day before the Board of Directors' meeting date.

The amounts of remunerations to employees of the Company in 2025 and 2024 were all $27,000, and remunerations to directors were $5,400 and $6,000, respectively. There is no difference in the actual distribution situation. Relevant information can be obtained from the Market Observation Post System.

(s) Income tax

The components of the Company's income tax were as follows:

	For the three months ended March 31,	
	2026	**2025**
Current income tax expenses	$ 63,688	72,931
Deferred tax income	-	(434)
Total	**$ 63,688**	**72,497**

The Company's tax returns for the year through 2024 were assessed by the Taipei National Tax Administration tax authorities.

(t) Capital and other equity

(i) Share capital

As of March 31, 2026, December 31 and March 31, 2025, the number of authorized ordinary shares were all $6,236,320 with par value of $10 per share, i.e. 623,632 thousand shares. The issued shares were both 223,608 thousand shares of common stock.

(ii) Retained earnings

1) Legal reserve

According to the Company Act, the Company is able to issue new stocks or cash dividends from legal reserve if there is no deficit as long as the legal reserve is over 25% of the paid in capital.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

2) Special reserve

Based on Financial Supervisory Commission Jin Guan Bao Cai Zi No. 10102508861 on June 5, 2012, the Company distributes retained surplus that transferred from the special reserve of unrealized revaluation increment $12,143, and appropriated the same amount to a special reserve.

Based on Financial Supervisory Commission Jin Guan Bao Cai Zi No. 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. As of March 31, 2026, December 31 and March 31, 2025, the special reserve distributed by the Company in accordance with the regulations were $48,424, $0 and $0, respectively.

In accordance with the "Regulations Governing the Provision of Various Reserves by Insurance Enterprises," the Company appropriates the amounts of newly provided special reserves for major claims and risk fluctuations, on an after-tax basis, to special surplus reserves under equity at the end of each year. Amounts that may be utilized for offsetting or recovered for each line of business are determined as the balance after deduction of income tax in accordance with IAS 12. Such amounts may be offset against or recovered from the special reserves appropriated to special surplus reserves under equity, on an after-tax basis.

Furthermore, in accordance with FSC Jin Guan Bao Cai No. 11304908291, at the end of each fiscal year, the Company appropriates an amount based on the "Standard Premium Rates Table for Accidental Death and Disability Benefits under Individual Travel Accident Insurance." Such amount is calculated as 10% of the aggregate premium income derived from the insured amounts and coverage periods of individual travel accident insurance policies sold during the year. After deducting income tax at the statutory rate of 20%, the net amount is recognized as special surplus reserves under equity.

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

3) Undistributed retained earnings appropriated

Under the Company's Article of Incorporation, the Company's net income after deduction of income tax and losses (if any) and offset the prior years' deficits, should be provisioned 20% of remaining amount as legal reserve, except the legal reserve is equal to the capital. In addition to any remaining profit together with any undistributed retained earnings shall be distributed based on the Company considering the operating need and legal requirement to provision special reserve, the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The remuneration of non-executive director in the Company is authorized to the board's meeting to set rational remuneration, and do not attend the earning distribution. The Company belongs to property and casualty insurance, the enterprise development should cooperate with the Government's policy and risk-based capital, the ability of underwriting and solvency have to be stronger. The Company's earning distribution policy has to consider the current and future investment environment, capital requirement, market competition situation and budget, etc., with the benefit of shareholders, balancing dividend and long-term financial plan, etc. and then the earning distribution that the board's meeting set will provide to the shareholder's meeting. The earning distribution should be in form of cash or stock dividend to distribute, in addition to the amount of cash dividend should not be lower than 10% of stock dividend. However, the amount of par cash dividend is lower than $0.1, the dividend should use the form of stock dividend to distribute.

The amount of cash dividends on the appropriations of earnings for 2025 had been proposed during the board meeting on March 12, 2026, as follow:

	For the year ended December 31, 2025	
	Allotment per share (NT dollars)	**Total Amount**
Dividends distributed to ordinary shareholders：		
Cash	$ 1.50	**335,412**

The relevant information about distribution of retained earnings under the consent of the shareholders' meeting can be obtained on the website of Market Observation Post System.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Other equity (after tax)

		Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income
January 1, 2026	$	(41,605)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		34,532
March 31, 2026	**$**	**(7,073)**
January 1, 2025	$	(48,424)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		36,075
Disposal of investments in equity instruments designated at fair value through other comprehensive income		(726)
March 31, 2025	**$**	**(13,075)**

(u) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were shown as follows:

	For the three months ended March 31,		
		2026	**2025**
Net income attributable to ordinary shareholders of the Company	**$**	**397,970**	**123,362**
Weighted average number of ordinary shares (thousands shares)		**223,608**	**223,608**
Basic earnings per share (NT dollars)	**$**	**1.78**	**0.55**
Diluted earnings per share			
Net income attributable to ordinary shareholders of the Company	**$**	**397,970**	**123,362**
Weighted average number of ordinary shares (thousands shares)		223,608	223,608
Employee share options		942	784
Weighted average number of ordinary shares (Dilutive potential common shares) (thousands shares)		**224,550**	**224,392**
Diluted earnings per share (NT dollars)	**$**	**1.77**	**0.55**

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(v) Nature and extent of insurance contract risk and risk management

(i) The purpose, policy, procedure and the managing method of risk related to the risk management of control insurance contract

1) The range of risk management in framework, organizational, accountability

a) Risk management of framework and organization

The Company's risk managing organizational framework includes the Board of Directors, Risk Management Committee, Risk Management Department, operating segments and Audit department.

b) The responsibility of various unit are as follows:

i) The Board of Directors

The Board of Directors is the highest decision making unit of risk management in the Company, which is responsible for approving risk management policy and framework, establishing the risk management culture, ensuring the effectiveness of risk management, and bear the ultimate responsibility of risk management.

ii) Risk Management Committee

1. In charge of making the risk management policy, framework, organization function, in order to establish the managing quality and quantity standard. To submit regularly the report of the executing the risk management to the Board of Directors, in case providing the necessary improve suggestion.

2. To execute the Board of Directors' decision, and entirely and periodically oversee the development, establishment and executing performance.

3. To assist and oversee various segments' risk management activities.

4. To consider the environment to adjust the types of risk, risk limit allocating and the bearing method.

5. To coordinate interaction and communication of the risk managing function between departments.

iii) Risk Management Department

1. To be responsible for risk monitoring, measuring, evaluating executive layer of routine affairs, which should be independent to the executing right of operating segments.

2. Should depend on the type of operating business to execute:

   - To assist and execute the Board setting risk management policies and strategies.
   - Accounting the Company risk appetite set risk tolerance
   - Summarize risk information, coordinated and communicated for carrying out policy and quota of each unit.
   - Risk management report is proposed regularly.
   - Monitor the risk of each operating segments regularly.
   - Assistance of pressure test.
   - Back testing.
   - Others

3. To deal with the violation of other units by the authorization of the Board of Directors or Risk Management Committee

iv) Operating segments

1. The responsibilities of operating segments supervisor to execute the risk management are as follows:

   - To be responsible for preparing daily risk report, taking actions.
   - To monitor related information of risk management and report to risk management department regularly.

2. The responsibilities of operating segments to execute the risk management are as follows:

- To recognize risk, and to report the information of risk exposure situation.
- To measure the influence of degree of risk occurred (quality and quantity), and response the accurate solution with passing the risk information.
- Reviewing the effectiveness of the setting risk tolerance.
- Monitor risk exposure and measure the risk exceed the tolerance.
- To assist the risk modelling development, ensuring that the uses and hypothesis of measuring, modeling are rational and consist of the basis.
- Ensure the effectiveness of internal control.
- Gather the information which is related to operational risk.

v) Audit department

Based on incumbent related legal regulation, to audit the implementation of risk management of each department in the Company.

2) Scope and nature of risk reporting or measure system

The Company's insurance risk monitoring included the entire or individual deal process of operating segments and various insurance goods, such as business volume, loss rate change, business structure, etc., should be in accordance with the standard, the limit, the process of over limit and the authorization. Then, through operating segments supervisors report daily or regularly to higher management level and Risk Management Department to summarize.

The Company holds Risk Management Committee periodically to report officially the insurance risk management monitor for decision making by the operating level.

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

3) Procedures for risk assuming, measurement, monitoring and control, as well as adequate risk classification and the underwriting policy

The Company set the underwriting policy which is following the Company's target, client demand and market competition environment. The unit of underwriting should process danger options in accordance with the underwriting policy. In addition the underwriting should cooperate with operating in term of assessment of danger and choice of business, policy due to the organization become more and more big and the market become more competitive. To achieve the goal of good quality, higher quantity, faster receivable rolling and faster claim procedure which is customer focus, the Company should enhance the method of thinking and innovation in underwriting, operating, claim and managing.

4) The range of entire basic evaluation assessment of the enterprise and risk management

The entire risk as a basic identify the Company's insurance risk, includes the design and price set risk, underwriting risk, insurance risk, claim risk, catastrophic risk and reserve risk, etc., in accordance with the various insurance risk of insurance risk management.

5) Limiting insurance risk exposure and avoiding the concentrations of insurance risk

The business of retained, ceded in reinsurance, ceded out reinsurance of the Company is under "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" to establish the mechanism of risk management, and considering the risk bearing capacity, formulating a reinsurance risk management plan and implementing.

The maximum retention per risk unit for each type of insurance was as follows:

Type of Insurance	March 31, 2026	March 31, 2025
Fire insurance	$ 600,000	600,000
Hull insurance	100,000	100,000
Fishing vessel insurance	50,000	50,000
Aviation insurance	200,000	200,000
Marine cargo insurance	600,000	600,000
Accident insurance	200,000	200,000
Engineering insurance	500,000	500,000
Casualty insurance	500,000	500,000
Vehicle insurance	50,000	50,000
Automobile liability insurance	150,000	150,000
Other property insurance	300,000	300,000
Health insurance	5,000	5,000
Accident insurance - travel insurance	240,000	240,000

(Continued)

6) The method of assets and liabilities management

The Company's assets and liabilities are coordinate with the factor of risk, including market risk, liquidity risk and insurance risk, which depend on the various risk management mechanism of monitor assets and liabilities cash flows, and using such as ratio of debt to assets, net debt to assets, etc., to entirely evaluate and analyze the appropriateness of managing assets and liabilities.

7) The illustration of management, monitor and control procedure of taking extra liabilities and equities promise when obtaining or providing on special events.

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

1) Credit risk

For insurance contracts issued by the Company, credit risk arises from the possibility that reinsurers may fail to fulfill their obligations under reinsurance contracts, resulting in financial losses to the Company. In addition, disputes between the Company and reinsurers may result in impairment of reinsurance assets.

The carrying amounts of the Company's insurance contract assets and reinsurance contract assets represent its maximum exposure to credit risk.

Credit quality information of reinsurance contracts held as assets is presented as follows:

Credit Rating	March 31, 2026	December 31, 2025	March 31, 2025
AA	$ 2,000,008	1,932,043	1,523,482
A	3,401,704	4,253,038	3,303,030
Total	**$ 5,401,712**	**6,185,081**	**4,826,512**

2) Liquidity risk analysis

Liquidity risk associated with the Company's insurance contracts includes funding liquidity risk and market liquidity risk. The Company monitors and manages these risks in accordance with its liquidity risk management policies, and periodically performs liquidity analyses on groups of insurance contracts issued and groups of reinsurance contracts held. In addition, the Company assesses its short- and medium-term funding capacity using measures such as liquidity coverage ratios and stress testing.

To ensure operational stability, the Company maintains sufficient liquid assets so that it can respond promptly in situations where premium income is insufficient or when claim obligations increase significantly beyond expectations, thereby preserving an adequate liquidity buffer.

UNION INSURANCE CO., LTD.
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The maturity analysis of groups of insurance contracts issued and groups of reinsurance contracts held that are recognized as liabilities is presented in the table below (excluding the liability for remaining coverage measured under the premium allocation approach):

	Groups of insurance contracts issued in a liability position		
	March 31, 2026	**December 31, 2025**	**March 31, 2025**
1 year	$ 3,764,832	4,103,112	3,312,134
2 years	2,327,625	2,276,738	2,127,776
3 years	963,657	858,240	827,900
4 years	326,521	284,534	262,321
5 years	123,485	115,027	99,092
Over 6 years	124,239	120,243	95,332
Total	**$ 7,630,359**	**7,757,894**	**6,724,555**

	Groups of reinsurance contracts held in a liability position		
	March 31, 2026	**December 31, 2025**	**March 31, 2025**
1 year	$ (1,839)	164	(1,076)
2 years	(8,894)	138	(9,746)
3 years	(5,942)	65	(6,875)
4 years	(2,809)	22	(3,074)
5 years	(915)	8	(999)
Over 6 years	(736)	10	(694)
Total	**$ (21,135)**	**407**	**(22,464)**

3) Market risk

Market risk associated with the Company's insurance contracts primarily arises from the exposure to market variables embedded in the measurement of insurance liabilities, such as changes in market interest rates.

In accordance with the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises,” the reserves established by the Company include unearned premium reserves, policy reserves, claim reserves, and special reserves. Among these, policy reserves and claim reserves are measured on a discounted basis. As most insurance coverage periods and claims development periods are less than five years, the impact of changes in market interest rates on these reserves is not significant.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

The discount rate curves applied by the Company to insurance contract cash flows that do not vary with underlying items are set out below:

	March 31, 2026				
Currency	**1 year**	**2–5 years**	**6–10 years**	**11–20 years**	**20–30 years**
TWD	1.3222~1.3517	1.3819~1.4691	1.494~1.6056	1.6786~2.4462	2.4462~3.0055

	December 31, 2025				
Currency	**1 year**	**2–5 years**	**6–10 years**	**11–20 years**	**20–30 years**
TWD	1.2298~1.2528	1.2751~1.3243	1.3374~1.4191	1.4924~2.306	2.306~2.9058

	March 31, 2025				
Currency	**1 year**	**2–5 years**	**6–10 years**	**11–20 years**	**20–30 years**
TWD	1.4319~1.4592	1.5119~1.5804	1.5905~1.6677	1.7309~2.4663	2.4663~3.0179

(iii) Insurance risk information

1) Sensitivity to insurance risk

	For the three months ended March 31, 2026			
	Impact on profit or loss		**Impact on equity**	
Risk factor	**Gross**	**Net**	**Gross**	**Net**
Ultimate claims (increase 1%)	$ (11,137)	(5,203)	(8,910)	(4,162)
Ultimate claims (decrease 1%)	10,906	5,067	8,725	4,054

	For the three months ended March 31, 2025			
	Impact on profit or loss		**Impact on equity**	
Risk factor	**Gross**	**Net**	**Gross**	**Net**
Ultimate claims (increase 1%)	$ (8,566)	(2,714)	(6,852)	(2,171)
Ultimate claims (decrease 1%)	8,566	2,897	6,852	2,318

2) Concentration of insurance risk

a) Business concentration

The insurance contracts which the Company underwrites are separated in various types of insurances, and not concentrated in any single type of insurance. In terms of proportion, the voluntary automobile insurance is the highest proportion accounts. Although the proportion is slightly higher than other insurances, the loss experience of voluntary automobile insurance is stable and the risk variation is low. The remaining lines of business do not exhibit significant risk concentration.

UNION INSURANCE CO., LTD.
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	For the three months ended March 31,			
	2026		2025	
Type of Insurance	Amount	Percentage	Amount	Percentage
Fire insurance	$ 353,639	9.92 %	356,010	10.16 %
Marine cargo insurance	86,442	2.43 %	82,096	2.34 %
Hull, fishing vessel and aviation insurance	26,581	0.75 %	33,838	0.97 %
Voluntary automobile insurance	1,634,018	45.82 %	1,624,234	46.36 %
Compulsory automobile liability insurance	328,126	9.20 %	329,506	9.41 %
Liability insurance	191,940	5.38 %	185,005	5.28 %
Engineering and nuclear insurance	246,015	6.90 %	198,663	5.67 %
Surety and credit insurance	12,380	0.35 %	7,196	0.21 %
Other property insurance	14,382	0.40 %	13,069	0.37 %
Accident insurance	301,577	8.46 %	291,945	8.33 %
Typhoon, flood and earthquake insurance	292,117	8.19 %	301,833	8.62 %
Personal and commercial all-risk insurance	37,350	1.05 %	35,430	1.01 %
Health insurance	40,357	1.13 %	43,070	1.23 %
Overseas ceded-in reinsurance	877	0.02 %	1,336	0.04 %
Total	$ 3,565,801	100.00 %	3,503,231	100.00 %

b) Loss concentration

The Company assesses loss concentration risk based on incurred claims liabilities of retained business, which represent the net amount of insurance contract liabilities for incurred claims after deducting the related reinsurance recoveries. Among all lines of business, voluntary automobile insurance represents the largest proportion. Although its share is relatively higher than that of other lines, its loss experience is stable and its risk variability is relatively low. The remaining lines of business do not exhibit any significant loss concentration.

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Type of Insurance	For the three months ended March 31, 2026 Amount	2026 Percentage	2025 Amount	2025 Percentage
Fire insurance	$ (13,173)	(0.37)%	138,521	4.32 %
Marine cargo insurance	27,797	0.78 %	42,990	1.34 %
Hull, fishing vessel and aviation insurance	(1,400)	(0.04)%	4,701	0.15 %
Voluntary automobile insurance	1,858,064	52.02 %	1,775,963	55.33 %
Compulsory automobile liability insurance	414,023	11.59 %	426,687	13.29 %
Liability insurance	205,783	5.76 %	159,854	4.98 %
Engineering and nuclear insurance	591,288	16.55 %	306,172	9.54 %
Surety and credit insurance	22,966	0.64 %	23,268	0.72 %
Other property insurance	8,268	0.23 %	6,721	0.21 %
Accident insurance	390,999	10.95 %	297,468	9.27 %
Typhoon, flood and earthquake insurance	(20,138)	(0.56)%	(3,217)	(0.10)%
Personal and commercial all-risk insurance	36,005	1.01 %	21,974	0.68 %
Health insurance	43,879	1.23 %	14,123	0.44 %
Overseas ceded-in reinsurance	7,558	0.21 %	(5,241)	(0.16)%
Total	$ 3,571,919	100.00 %	3,209,984	100.01 %

3) Claims trend

Occurrence year	March 31, 2026 Years of development 1	2	3	4	5	6	7	8	Liabilities for incurred claims
2019	-	-	-	-	-	-	-	40,568	40,568
2020	-	-	-	-	-	-	65,983	-	65,983
2021	-	-	-	-	-	72,722	7,074	-	79,796
2022	-	-	-	-	153,851	54,155	6,720	-	214,726
2023	-	-	-	343,184	146,541	32,009	6,517	-	528,251
2024	-	-	706,866	317,899	99,655	35,691	6,823	-	1,166,934
2025	-	1,718,787	1,439,886	428,374	155,434	51,488	7,833	-	3,801,802
2026	782,297	662,787	175,841	49,254	15,451	5,737	550	-	1,691,917
Total cash flow of claim loss development									7,589,977
Add: Discounting impact on cash flows									(100,745)
Total incurred claims liabilities for direct business and reinsurance assumed									7,489,232

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Occurrence year	March 31, 2025								
	Years of development								
	1	2	3	4	5	6	7	8	Liabilities for incurred claims
2018	-	-	-	-	-	-	-	46,848	46,848
2019	-	-	-	-	-	-	17,531	-	17,531
2020	-	-	-	-	-	88,250	6,690	-	94,940
2021	-	-	-	-	84,352	22,072	1,928	-	108,352
2022	-	-	-	202,153	97,914	28,968	1,504	-	330,539
2023	-	-	621,280	240,462	87,872	25,766	2,671	-	978,051
2024	-	1,504,177	1,086,800	263,966	94,647	32,099	3,297	-	2,984,986
2025	865,724	945,893	229,784	51,745	15,862	2,109	177	-	2,111,294
Total cash flow of claim loss development									6,672,541
Add: Discounting impact on cash flows									(93,119)
Total incurred claims liabilities for direct business and reinsurance assumed									6,579,422

(iv) Provision for non-eligible reinsurance

The Company's reinsurance arrangements are conducted in accordance with the "Regulations Governing Outward and Inward Reinsurance and Other Risk Diversification Mechanisms for Insurance Enterprises." Reinsurers are selected based on their eligibility and credit ratings in compliance with the relevant requirements, and the Company regularly monitors changes in the credit ratings of its reinsurers. Transactions with non-eligible reinsurers are disclosed in the notes to the financial statements in accordance with Article 13 of the aforementioned regulations:

1) A summary of non-eligible reinsurance contracts and their related lines of business is presented below:

As of March 31, 2026

Company	Annotation
Trust International Insurance and Reinsurance CO.B.S.C (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance

As of December 31, 2025

Company	Annotation
Trust International Insurance and Reinsurance CO. B.S.C. (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance

As of March 31, 2025

Company	Annotation
Asia Capital Reinsurance Group Pte Ltd.	Facultative reinsurance of each kind of insurance
Asia Capital Reinsurance Group Pte Ltd. (Hong Kong Branch)	Treaty and Facultative reinsurance of each kind of insurance
Trust International Insurance and Reinsurance CO. B.S.C. (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

2) Reconciliation of assets and liabilities of non-eligible reinsurance contracts held by the Company

	Asset for remaining coverage				Asset for incurred claims measured under the Premium Allocation Approach			
For the three months ended March 31, 2026	Excluding loss-recovery component	Loss-recovery component	Subtotal	Asset for incurred claims under the General Measurement Model	Estimated present value of future cash flows	Risk adjustment for non-financial risks	Subtotal	Total
Balance at January 1, 2026 - reinsurance contract assets held	$ -	-	-	18	-	-	-	18
Balance at January 1, 2026 - reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance at January 1, 2026	-	-	-	18	-	-	-	18
The amounts recovered from the reinsurer								
Finance income or expenses of reinsurance contracts held								
Balance at March 31, 2026 - reinsurance contract assets held	-	-	-	18	-	-	-	18
Balance at March 31, 2026 - reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance at March 31, 2026	**$ -**	**-**	**-**	**18**	**-**	**-**	**-**	**18**

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

For the three months ended March 31, 2025	Asset for remaining coverage: Excluding loss-recovery component	Asset for remaining coverage: Loss-recovery component	Asset for remaining coverage: Subtotal	Asset for incurred claims under the General Measurement Model	Asset for incurred claims measured under the Premium Allocation Approach: Estimated present value of future cash flows	Asset for incurred claims measured under the Premium Allocation Approach: Risk adjustment for non-financial risks	Asset for incurred claims measured under the Premium Allocation Approach: Subtotal	Total
Balance at January 1, 2025 - reinsurance contract assets held	$ -	-	-	33	75	8	83	116
Balance atJanuary 1, 2025 - reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance at January 1, 2025	-	-	-	33	75	8	83	116
The amounts recovered from the reinsurer								
Finance income or expenses of reinsurance contracts held								
Cash flows during the period								
Balance at March 31, 2025 - reinsurance contract assets held	-	-	-	33	75	8	83	116
Balance at March 31, 2025 - reinsurance contract liabilities held	-	-	-	-	-	-	-	-
Net balance at March 31, 2025	**$ -**	**-**	**-**	**33**	**75**	**8**	**83**	**116**

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

3) Future cash flow estimates for groups of reinsurance contracts held and related assumptions on reinsurer non-performance risk

	March 31, 2026	December 31, 2025	March 31, 2025
Estimate of the present value of future cash inflows	$ 17	17	106
Estimates of future cash flows	**$ 17**	**17**	**106**

In measuring groups of non-eligible reinsurance contracts held, the Company incorporates the reinsurers' non-performance risk into the estimates of future cash flows. Such assumptions are primarily based on reinsurers' credit ratings and the corresponding probabilities of default, reflecting the risk that reinsurers may fail to fulfill their obligations under the contracts, including the recovery amounts due under the contracts and other contractual obligations.

4) Sensitivity analysis of changes in non-performance risk assumptions (excluding the premium allocation approach)

All non-eligible reinsurance contracts held by the Company are measured under the premium allocation approach. Accordingly, no sensitivity analysis of changes in non-performance risk assumptions is required to be disclosed.

(w) Financial instruments

(i) Credit risk

1) Credit risk exposure

Maximum credit risk exposure was as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Cash and cash equivalents	$ 3,180,641	3,316,260	3,687,065
Receivables	551,304	475,206	445,822
Financial assets at fair value through profit or loss	2,303,878	1,451,789	1,860,003
Financial assets at fair value through other comprehensive income	2,908,102	2,820,019	2,963,943
Financial assets at amortized cost	3,870,638	3,920,810	3,063,777
Other financial assets	3,827,000	3,471,900	2,651,842
Other assets	527,288	423,407	480,903
Total	**$ 17,168,851**	**15,879,391**	**19,979,867**

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

The Company does not involve into lending business. The financial assets are mainly receivables and investment projects in the open market. The credit risk is controlled by the limit method and the risk status of the counterparty is assessed regularly.

As of March 31, 2026, December 31 and March 31, 2025, the overdue refundable deposits accounted for under other assets were all $20,000, which provisioned the loss allowance all $20,000.

2) Impairment loss of receivables

The expected credit losses of receivables were as follows:

	March 31, 2026					
		Not overdue	Overdue under 90 days	Overdue for 91-270 days	Overdue 271 over days	Total
Notes receivable:						
Expected credit loss rate		0.03%	100%	100%	100%	
Carrying amount	$	319,184	-	-	-	319,184
Expected credit loss amount		80	-	-	-	80
Other receivables:						
Expected credit loss rate		0.80%	0%~50%	50%~100%	50%~100%	
Carrying amount	$	234,057	-	-	36,298	270,355
Expected credit loss amount		1,881	-	-	36,274	38,155

	December 31, 2025					
		Not overdue	Overdue under 90 days	Overdue for91-270 days	Overdue 271 over days	Total
Notes receivable:						
Expected credit loss rate		0.03%	100%	100%	100%	
Carrying amount	$	282,723	-	-	-	282,723
Expected credit loss amount		76	-	-	-	76
Other receivables:						
Expected credit loss rate		0.97%	0%~50%	50%~100%	50%~100%	
Carrying amount	$	194,413	-	-	36,076	230,489
Expected credit loss amount		1,877	-	-	36,053	37,930

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

	March 31, 2025					
		Not overdue	Overdue under 90 days	Overdue for 91-270 days	Overdue 271 over days	Total
Notes receivable:						
Expected credit loss rate		0.05%	100%	100%	100%	
Carrying amount	$	296,558	330	-	-	296,888
Expected credit loss amount		141	330	-	-	471
Other receivables:						
Expected credit loss rate		1.54%	0%~50%	50%~100%	50%~100%	
Carrying amount	$	155,778	-	-	22,578	178,356
Expected credit loss amount		2,401	-	-	26,550	28,951

3) The movement in loss allowance

a) The movement in loss allowance of debt investments at fair value through other comprehensive income

	For the three months ended March 31, 2026					
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	$ -	-	-	-	-	-
Originated or purchased new financial assets	10	-	-	10	-	10
Ending balance	**$ 10**	**-**	**-**	**10**	**-**	**10**

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

	For the three months ended March 31, 2025					
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	$ 127	-	-	127	-	127
Changes in financial instruments that have been identified at the beginning of the period:						
－Financial assets that have been derecognized during the period	(21)	-	-	(21)	-	(21)
New financial assets originated or purchased	38	-	-	38	-	38
Changes	1	-	-	1	-	1
Ending balance	$ 145	-	-	145	-	145

b) The movement in loss allowance of financial assets at amortized cost

	For the three months ended March 31, 2026					
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	$ 2,196	526	-	2,722	-	2,722
Changes	14	5	-	19	-	19
Ending balance	$ 2,210	531	-	2,741	-	2,741

	For the three months ended March 31, 2025					
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	$ 1,718	1,641	-	3,359	-	3,359
Changes	(49)	15	-	(34)	-	(34)
Ending balance	$ 1,669	1,656	-	3,325	-	3,325

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

4) The information of credit quality

	March 31, 2026										
	stage1				stage2						
	Low-risk	Moderate-risk	High-risk	Total	Low-risk	Moderate-risk	High-risk	Total	stage3	Allowance impairment loss	Total
Financial assets at fair value through other comprehensive income - debt instruments	$ 52,600	-	-	52,600	-	-	-	-	-	-	52,600
Financial assets at amortized cost (including statutory deposit)	4,043,645	-	-	4,043,645	170,000	-	-	170,000	-	2,741	4,210,904
Total	$ 4,096,245	-	-	4,096,245	170,000	-	-	170,000	-	2,741	4,263,504

	December 31, 2025										
	stage1				stage2						
	Low-risk	Moderate-risk	High-risk	Total	Low-risk	Moderate-risk	High-risk	Total	stage3	Allowance impairment loss	Total
Financial assets at amortized cost (including statutory deposit)	$ 4,093,767	-	-	4,093,767	170,000	-	-	170,000	-	2,722	4,261,045
Total	$ 4,093,767	-	-	4,093,767	170,000	-	-	170,000	-	2,722	4,261,045

	March 31, 2025										
	stage1				stage2						
	Low-risk	Moderate-risk	High-risk	Total	Low-risk	Moderate-risk	High-risk	Total	stage3	Allowance impairment loss	Total
Financial assets at fair value through other comprehensive income - debt instruments	$ 734,042	-	-	734,042	-	-	-	-	-	-	734,042
Financial assets at amortized cost (including statutory deposit)	3,294,118	-	-	3,294,118	170,000	-	-	170,000	-	3,325	3,460,793
Total	$ 4,028,160	-	-	4,028,160	170,000	-	-	170,000	-	3,325	4,194,835

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(ii) Liquidity risk

The following table shows the maturity date of financial liabilities. The Company does not anticipate that the cash flow of the maturity analysis will occur significantly earlier, or the actual amount will be significantly different.

	March 31, 2026					
Non-derivative financial liabilities	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
Payables						
Other payables	$ 354,461	354,461	254,776	32,449	57,021	10,215
Lease liabilities	17,807	18,130	3,994	7,552	2,760	3,824
Other liabilities						
Guarantee deposits received	9,929	9,929	37	96	-	9,796
Total	$ **382,197**	**382,520**	**258,807**	**40,097**	**59,781**	**23,835**

	December 31, 2025					
Non-derivative financial liabilities	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
Payables						
Other payables	$ 488,630	488,630	452,153	35,079	25	1,373
Lease liabilities	20,455	20,858	3,947	7,588	3,597	5,726
Other liabilities						
Guarantee deposits received	12,129	12,129	2,201	80	89	9,759
Total	$ **521,214**	**521,617**	**458,301**	**42,747**	**3,711**	**16,858**

	March 31, 2025					
Non-derivative financial liabilities	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
Payables						
Other payables	$ 278,706	278,706	181,723	33,079	54,138	9,766
Lease liabilities	28,405	29,163	4,102	7,556	3,572	13,933
Other liabilities						
Guarantee deposits received	10,011	10,011	153	268	57	9,533
Total	$ **317,122**	**317,880**	**185,978**	**40,903**	**57,767**	**33,232**

(Continued)

(iii) Foreign currency risk

1) Exposure about foreign currency risk

The amounts of the original currency (in thousands) exposed to the significant foreign currency exchange rate risk were as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Financial assets			
Monetary items			
USD	$ 4,740	4,447	28,702
EUR	8	82	96
JPY	35	35	35
HKD	26	95	82
KRW	-	3	4
CNY	8	8	8
GBP	19	23	34
THB	100	35	3
Non-Monetary items			
USD	4,001	-	4,253
Financial liability			
Monetary items			
USD	1,659	1,688	1,220
EUR	-	8	-
JPY	2	-	-
KRW	2	1	-

Important rate:

	Rates		
	March 31, 2026	December 31, 2025	March 31, 2025
USD	$ 32.00	31.43	33.21
EUR	36.71	36.90	35.97
JPY	0.2005	0.2008	0.2227
HKD	4.08	4.04	4.27
KRW	0.0211	0.0220	0.0228
CNY	4.63	4.50	4.57
GBP	42.27	42.33	43.05
THB	0.9782	1.0000	0.9842

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

2) Sensitivity analysis

As of March 31, 2026 and 2025, with all other variable factors that remain constant, when NTD decreases 1% compared to other currency, the amount of the Company's comprehensive income will increase as follows:

	March 31, 2026	March 31, 2025
USD(increases 1%)	$ 1,813	8,431
EUR(increases 1%)	2	28
HKD(increases 1%)	1	3
GBP(increases 1%)	6	12
THB(increases 1%)	1	-

Conversely, if there is a increase of 1% compared to other currency based on all other variables remain the same, there will be the same amount but opposite direction of influence as of March 31, 2026 and 2025.

(iv) Interest rate risk

1) Summary

The amounts of interest bearing financial instruments related to interest rate risk on the reporting date were as follows:

	Carrying Amount		
	March 31, 2026	December 31, 2025	March 31, 2025
Variable interest rate instrument:			
Time deposit	$ 1,092,000	1,092,000	1,405,000

2) Sensitivity Analysis of variable interest rate financial instruments

Based on the carrying amount of those financial instruments on the reporting date, assuming they are held for one year, and all other variable factors remaining constant, when interest rate change 10 basis points, the Company’s net income before income tax will increase or decrease as follows:

	March 31, 2026	December 31, 2025	March 31, 2025
Increase 10 basis points	$ 1,092	1,092	1,405
Decrease 10 basis points	(1,092)	(1,092)	(1,405)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(v) Fair value and hierarchy information

1) Fair value information

a) 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 among market participants at the measurement date.

b) Definition of fair value hierarchy

i) Level 1

The input of Level 1 is the public quote of the same financial instrument in an active market. An active market is a market that meets all the conditions listed below: Products traded in the market is of homogeneity; it is able to reach buyer and seller anytime in the market and the price information can be accessed by the public. Listed stock, OTC stock, beneficiary certificates, as well as equity and derivative instruments with public quote in an active market possessed by the Company belong to Level 1.

ii) Level 2

The input of Level 2 refers to observable price except public quote in an active market, including direct observable input parameters (such as price) or indirect observable input parameters (derivation from price).

iii) Level 3

The input of level 3 is the parameters of measuring fair value, which is from neither on direct market data nor from the counter party.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

2) Based on fair value measurement

a) Hierarchy information of fair value

The Company's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

	March 31, 2026			
Assets and liabilities	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Repeatable fair value measurement				
Non-derivative financial assets				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 209,534	209,534	-	-
Real estate investment trust beneficiary certificates	268,536	268,536	-	-
Stocks	1,825,808	1,825,808	-	-
Financial assets at fair value through other comprehensive income				
Beneficiary certificates	52,600	52,600	-	-
Stocks	2,855,502	2,841,614	-	13,888

	December 31, 2025			
Assets and liabilities	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Repeatable fair value measurement				
Non-derivative financial assets				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 118,972	118,972	-	-
Real estate investment trust beneficiary certificates	272,318	272,318	-	-
Stocks	1,060,499	1,060,499	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,820,019	2,806,579	-	13,440

	March 31, 2025			
Assets and liabilities	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Repeatable fair value measurement				
Non-derivative financial assets				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 673,345	673,345	-	-
Real estate investment trust beneficiary certificates	284,043	284,043	-	-
Stocks	902,615	902,615	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,229,901	2,215,929	-	13,972
Bonds	734,042	-	734,042	-

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

b) Valuation techniques of fair value measurement

The valuation of non-derivative financial instruments are based on transparent offer price as fair value if there is existence of active market. The basic of fair value is the market price announced by stock exchange, OTC, etc., the listed stocks and OTC stocks as equity instruments, and debt instruments in active market.

If obtaining frequently and timely transparent offers from stock exchange, brokers, securities underwriter, industrial union and set price service organization or supervisor organization that means the price is actual and frequent fair market deal that is the transparent offer price as fair value in the active market. If the conditions above mentioned are fail, the market is considered as non-active market. Generally, the difference between bid ask is big and significant or with the volume of deal is few would be indicated that non active market. The equity of non-transparent offer price shall be evaluated by valuation techniques by using the Market approach public company comparable with the discount of lack equity liquidity.

c) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the three months ended March 31, 2026 and 2025.

d) Movements of financial assets at fair value classified into Level 3

	For the three months ended March 31, 2026							
		Gains and losses on valuation		Increase		Decrease		
Name	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3	Balance at the end of the year
Financial assets at fair value through other comprehensive income	$ 13,440	-	448	-	-	-	-	13,888

	For the three months ended March 31, 2025							
		Gains and losses on valuation		Increase		Decrease		
Name	Balance at the beginning of the year	Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3	Balance at the end of the year
Financial assets at fair value through other comprehensive income	$ 14,322	-	(350)	-	-	-	-	13,972

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

e) Quantified information of fair value measurement for significant unobservable inputs (Level 3)

The Company's Level 3 fair value measurements are financial assets at fair value through other comprehensive income – equity instruments investment.

The Company's equity instruments investment without an active market include multiple significant unobservable inputs. Those unobservable inputs of equity instrument without active market are independent from each other, thus, they are not correlative. Since the correlation between significant unobservable inputs and fair value cannot be fully measured in practical, the quantified information is not disclosed.

Items	Evaluation	significant unobservable inputs	relationship between significant unobservable inputs and the fair value
Financial assets at fair value through other comprehensive income - equity instruments without an active market	Market method	· Price to Book Ratio · Discount for lack of marketability	· The higher price to book ratio is, the higher fair value is. · The higher discount for lack of marketability is, the lower the fair value is.

f) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Company made for the financial instruments is deemed reasonable; however, different valuation models or inputs could result in different valuation results. Specifically, if the valuation input of financial instruments classified in the Level 3 changes by 1%, the effects on other comprehensive income are as follows:

	Change in fair value recognized in other comprehensive income before tax	
	Favorable	**Unfavorable**
March 31, 2026		
Financial assets fair value through other comprehensive income	$ 139	(139)
December 31, 2025		
Financial assets fair value through other comprehensive income	$ 134	(134)
March 31, 2025		
Financial assets fair value through other comprehensive income	$ 140	(140)

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Favorable and unfavorable movements of the Company refer to the fluctuation of fair value, and the fair value is calculated through the valuation technique according to the unobservable inputs to different extent. If the fair value of a financial instrument is affected by more than one input, the above table only illustrates the effect as a result of one single input, and the correlation and variance among multiple inputs are not listed here.

(vi) Financial instruments not measured at fair value

1) Fair value information

The carrying amount of financial instruments not measured at fair value, such as cash and cash equivalents, receivables, other financial assets, account payables and other financial liabilities that are approximate to the fair value in the Company does not disclose the fair value, except for below items:

Item	Carrying amount	Fair value
March 31, 2026		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	$ 4,210,904	4,192,560
Investment Property	856,341	2,005,871
December 31, 2025		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	4,261,045	4,242,280
Investment Property	857,539	2,005,871
March 31, 2025		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	3,460,793	3,427,967
Investment Property	861,134	1,938,755

UNION INSURANCE CO., LTD.
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2) Fair value information

	March 31, 2026				
Item		**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets at amortized cost (included statutory deposits)	$	4,192,560	-	4,192,560	-
Investment property		2,005,871	-	-	2,005,871

	December 31, 2025				
Item		**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets at amortized cost (included statutory deposits)	$	4,242,280	-	4,242,280	-
Investment property		2,005,871	-	-	2,005,871

	March 31, 2025				
Item		**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Financial assets at amortized cost (included statutory deposits)	$	3,427,967	-	3,427,967	-
Investment property		1,938,755	-	-	1,938,755

(Continued)

3) Valuation techniques

The valuation assumption and methods of financial instruments not measured at fair value is used by the Company were as follows:

a) The fair value of short-term financial commodity is estimated by the carrying amount of balance sheet. The carrying amount is the reasonable basis to estimate the fair value, because the maturity date of the commodity is near. The method applied on cash and equivalent cash, accounts receivables and accounts payables.

b) Financial assets at amortized cost (bond investments without active market)

If investments assets measured at amortized cost have transaction price or quotes of the market makers, use the recent transaction price and quotes as the basis of estimating fair value. If without market value, discounted cash flow method or the quotes of the counterparties are used to calculate fair value or the quoted prices of the counter party.

c) The refundable deposits and guarantee deposits have no specific maturity date, as a result, using the carrying amount on the balance sheet as the fair value.

d) The fair value of investment property is assessed by the market practices.

4) Transfer between Level 1 and Level 2

There were no transfer for the three months ended March 31, 2026 and 2025.

(x) Financial risk management

There were no significant changes in the Company's financial risk management objectives and policies as disclosed in Note 6(v) of the financial statements for the year ended December 31, 2025.

(y) Capital Management

Management believes that the objectives, policies and processes of capital management of the Company has been applied consistently with those described in the financial statements for the year ended December 31, 2025. For the related information, please refer to Note 6(w) of the financial statements for the year ended December 31, 2025.

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(z) Structured entities not included in the financial statements

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

Types of structured entity	Characteristic and purpose	Equity owned by the Company
Assets securitization products-REITS	Invests in assets securitization products of commercial real estate.	Asset backed securities issued by the entity

(ii) The carrying amount of the assets related to the structured entities recognized by the Company but not yet included in the financial statements on March 31, 2026, December 31 and March 31, 2025, were as follows:

March 31, 2026	Asset securitization products-REITS
Assets possessed by the Company	
－Financial assets at fair value through profit or loss	$ 268,536
Total assets possessed by the company	**$ 268,536**

December 31, 2025	Asset securitization products-REITS
Assets possessed by the Company	
－Financial assets at fair value through profit or loss	$ 272,318
Total assets possessed by the company	**$ 272,318**

March 31, 2025	Asset securitization products-REITS
Assets possessed by the Company	
－Financial assets at fair value through profit or loss	$ 284,043
Total assets possessed by the company	**$ 284,043**

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

(iii) The Company did not provide any financial support for the asset securitization products not included in the financial statements for the three months ended March 31, 2026 and 2025.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(7) Related-party transactions:

(a) Final controller

Mr. Tsai Yan Ming is the Company final controller.

(b) Names and relationship of related parties

The followings are entities that have had transactions with related parties during the periods covered in the financial statements.

Name of Related Party	Relationship with the Company
Want Want Co., Ltd.	Substantive related party
Want Chia Enterprises Co.,Ltd.	Substantive related party
H.Y. Tsai Co., Ltd.	Substantive related party
Tsai Ho Want Enterprises Co., Ltd.	Substantive related party
Want Want Constructions Co., Ltd.	Substantive related party
Digital Commercial Times Inc.	Substantive related party
CTI Television Incorporation Co., Ltd.	Substantive related party
China Times Culture Co., Ltd.	Substantive related party
China Television Company Co., Ltd.	Substantive related party
Infotimes Co., Ltd.	Substantive related party
Touche Innovative Media Co., Ltd.	Substantive related party
Media Sphere Communications Ltd.	Substantive related party
TY Star Network Technology Co., Ltd.	Substantive related party
Want Tai Media Co., Ltd.	Substantive related party
I Lan Foods Ind. Co., Ltd.	Substantive related party
First Family Enterprise Co., Ltd.	Substantive related party
Want Pu Construction Co.,Ltd.	Substantive related party
Want Pu Trading Limited, Taiwan Branch (B.V.I)	Substantive related party
Newwing Limited, Taiwan Branch (B.V.I)	Substantive related party
Twitcher Taiwan Limited, Taiwan Branch (B.V.I)	Substantive related party
Shao Yuan Co., Ltd.	Substantive related party
Jia Peng Development Co., Ltd.	Substantive related party
Ho Yuan Want Co., Ltd.	Substantive related party
Taiwan Marketing Logistics Co., Ltd.	Substantive related party
Hao Want Co., Ltd.	Substantive related party
Wulai Tourism Co., Ltd.	Substantive related party

(Continued)

UNION INSURANCE CO., LTD.
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Name of Related Party	Relationship with the Company
Ren Want Co., Ltd.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Nuowant Biomedical Technology Co., Ltd.	Substantive related party
CTV Charities Aid Foundation	Substantive related party
Commercial Culture Co., Ltd.	Substantive related party
Chunyuan Hospitality Ltd.	Substantive related party
Pozzo Bakery Co., Ltd.	Substantive related party
Porker Co., Ltd.	Substantive related party
Chaopin Food Co., Ltd.	Substantive related party
Jinping Development Co., Ltd.	Substantive related party
Duozi Duosun Duofuqi Co., Ltd.	Substantive related party
Zuocheng Law Firm	Substantive related party

All directors, supervisors, managers, chairman of the board, general managers are the Company's related parties.

(c) Compensation of key management personnel

	For the three months ended March 31,	
	2026	**2025**
Short-term employee benefits	$ 16,731	15,829
Short-term employee benefits-paid leave	1,495	1,374
Post-employment benefits	307	302
Total	**$ 18,533**	**17,505**

(d) Significant transactions with related parties were as follows:

(i) The details of written premium and account receivables were as follows:

1) Written premium

	For the three months ended March 31,	
	2026	**2025**
	Amount	**Amount**
Other related parties	$ 2,599	2,695
Key management personnel	210	221
Total	**$ 2,809**	**2,916**

UNION INSURANCE CO., LTD.
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2) Account receivables

	March 31, 2026 Amount	December 31, 2025 Amount	March 31, 2025 Amount
Notes receivables：			
Other related parties	$ 45	-	-

	March 31, 2026 Amount	December 31, 2025 Amount	March 31, 2025 Amount
Premiums receivable:			
Other related parties	$ 178	455	150
Key management personnel	15	-	-
Total	$ 193	455	150

(ii) The details of general expense were as follows:

Related parties	For the three months ended March 31, 2026	2025
Other related parties	$ 5,120	1,434

(8) Pledged assets:

As of March 31, 2026, December 31 and March 31, 2025, the assets pledged or guaranteed were as follows:

Pledged Assets	March 31, 2026	December 31, 2025	March 31, 2025	Purpose of pledge
Other financial assets - Time deposit	$ 105,000	-	-	Guarantee for the insurance business
Financial assets at amortized cost	340,266	340,235	397,016	Guarantee for operating business, suit, and contract performance
Total	$ 445,266	340,235	397,016	

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(9) Commitments and contingencies:

(a) The Company had several significant insurance lawsuits and was required to pay indemnities of $130,460, of which approximately $95,827 were reinsured. The remain had been accrued. These cases have not been resolved with District Court of Appeal as of March 31, 2026.

(b) In order to improve computer equipment and IT systems, the Company is in contract with several IT companies. As of March 31, 2026, there is $57,990 unpaid.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other:

(a) A summary of employee benefits, depreciation and amortization:

	For the three months ended March 31,							
Function	2026				2025			
Nature	Insurance acquisition cash flows	Other directly attributable expenses	Other operating costs and other operating expenses	Total	Insurance acquisition cash flows	Other directly attributable expenses	Other operating costs and other operating expenses	Total
Employees Benefits:								
Salaries	204,914	83,356	50,508	338,778	209,518	80,707	45,582	335,807
Labor and health insurance	11,506	9,894	5,406	26,806	12,824	9,250	4,921	26,995
Pension	4,366	4,109	4,700	13,175	4,746	4,590	2,981	12,317
Remuneration of directors	-	-	5,193	5,193	-	-	5,924	5,924
Others	8,703	3,763	2,273	14,739	9,043	3,754	1,494	14,291
Depreciation	4,978	4,440	7,357	16,775	5,165	4,355	5,322	14,842
Amortization	2,376	2,547	6,036	10,959	3,006	3,964	3,728	10,698

(b) Retained earned premium by compulsory insurance

	For the three months ended March 31, 2026						
Item	Direct insurance revenue (1)	Reinsurance assumed revenue (2)	Allocated amount of premiums paid for reinsurance ceded (3)	Insurance finance income or expenses from directly written insurance contracts – excluding any loss component (4)	Insurance finance income or expenses from reinsurance assumed – excluding any loss component (5)	Insurance finance income or expenses from reinsurance contracts held – excluding any loss-recovery component (6)	Net retained earned gross premiums (7)=(1)+(2)+(3)-(4)-(5)-(6)
Compulsory insurance	$ 226,579	101,547	(121,455)	1,870	589	(976)	205,188

	For the three months ended March 31, 2025						
Item	Direct insurance revenue (1)	Reinsurance assumed revenue (2)	Allocated amount of premiums paid for reinsurance ceded (3)	Insurance finance income or expenses from directly written insurance contracts – excluding any loss component (4)	Insurance finance income or expenses from reinsurance assumed – excluding any loss component (5)	Insurance finance income or expenses from reinsurance contracts held – excluding any loss-recovery component (6)	Net retained earned gross premiums (7)=(1)+(2)+(3)-(4)-(5)-(6)
Compulsory insurance	$ 228,840	100,666	(122,416)	2,180	922	(1,424)	205,412

(Continued)

UNION INSURANCE CO., LTD.
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(c) Retained claims from compulsory insurance

Item	For the three months ended March 31, 2026					
	Claims incurred and other insurance service expenses paid for directly written insurance contracts (1)	Claims incurred and other insurance service expenses paid for reinsurance assumed (2)	Amounts recovered from reinsurance ceded (claims or expenses recovered from reinsurance contracts held) (3)	Opening balance of retained liabilities for incurred claims (4)	Closing balance of retained liabilities for incurred claims (5)	Retained claim payment (6)=(1)+(2)-(3)-(4)+(5)
Compulsory insurance	$ 191,109	113,333	77,895	420,810	414,023	219,760

Item	For the three months ended March 31, 2025					
	Claims incurred and other insurance service expenses paid for directly written insurance contracts (1)	Claims incurred and other insurance service expenses paid for reinsurance assumed (2)	Amounts recovered from reinsurance ceded (claims or expenses recovered from reinsurance contracts held) (3)	Opening balance of retained liabilities for incurred claims (4)	Closing balance of retained liabilities for incurred claims (5)	Retained claim payment (6)=(1)+(2)-(3)-(4)+(5)
Compulsory insurance	$ 181,590	119,044	73,992	392,589	426,687	260,740

(d) Information on specified asset segregation

(i) The Company conducts compulsory automobile liability insurance (hereinafter referred to as "the Insurance"), in accordance with the Compulsory Automobile Liability Insurance Act, maintains separate accounts to record the operating results and financial position of the Insurance. As of March 31, 2026 and 2025, the assets and liabilities relating to the Company's operations of the Insurance are presented as follows:

	March 31, 2026	March 31, 2025
Assets		
Cash and cash equivalents	$ 956,010	886,084
Reinsurance contract assets	487,556	517,505
Temporary payments and suspense accounts	351	178
Total assets	$ 1,443,917	1,403,767
Liabilities		
Insurance contract liabilities	$ 1,259,718	1,287,561
Special provision	184,199	116,206
Total liabilities	$ 1,443,917	1,403,767

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UNION INSURANCE CO., LTD.
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(ii) The Company's revenue and cost information for the Insurance is as follows:

	For the three months ended March 31,	
	2026	**2025**
Insurance service result:		
Insurance revenue	$ 259,401	260,189
Insurance service expenses	(254,040)	(240,628)
Income or expenses from reinsurance contracts held	(35,834)	(37,277)
Total insurance service result	**$ (30,473)**	**(17,716)**
Finance result:		
Insurance finance income or expenses	$ (1,986)	(3,270)
Finance income or expenses of reinsurance contracts held	837	1,540
Total finance result	**$ (1,149)**	**(1,730)**
Other operating result:		
Other operating costs – interest income	$ 902	562
Other operating costs – net change in special provision	27,930	16,067
Total other operating result	**$ 28,832**	**16,629**

(iii) Pursuant to Article 14 of the "Regulations Governing the Management of Various Reserves for Compulsory Automobile Liability Insurance," if a non-life insurance enterprise ceases to underwrite the Insurance, the various reserves of the Insurance shall be transferred to and maintained by another non-life insurance enterprise that assumes the relevant business and continues to underwrite the Insurance. If no other non-life insurance enterprise assumes such business, and upon settlement of all obligations under the Insurance a positive balance remains in the special reserve, the assets corresponding to such special reserve shall be transferred to the Motor Vehicle Accident Compensation Fund.

Where a non-life insurance enterprise is ordered to suspend business and undergo liquidation, is ordered to dissolve, or has its license to conduct the Insurance revoked, and no other non-life insurance enterprise assumes such business, and upon settlement of all obligations under the Insurance a positive balance remains in the special reserve, the assets corresponding to such special reserve shall be transferred to the Motor Vehicle Accident Compensation Fund.

(Continued)

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(e) The amounts of total assets and liabilities which will be recovered or paid within or over 12 months of the balance sheet date are as follows:

	March 31, 2026		
Assets	**Within 12 months**	**Over 12 months**	**Total**
Cash and cash equivalents	$ 3,180,641	-	3,180,641
Receivables	551,280	24	551,304
Financial assets at fair value through profit or loss	2,303,878	-	2,303,878
Financial assets at fair value through other comprehensive income	-	2,908,102	2,908,102
Financial assets at amortized cost	99,988	3,770,650	3,870,638
Other financial assets	3,822,000	5,000	3,827,000
Right-of-use assets	-	17,653	17,653
Investment property	-	856,341	856,341
Insurance contract assets	2,571	-	2,571
Reinsurance contract assets	2,019,160	3,382,552	5,401,712
Property and equipment	-	1,483,301	1,483,301
Intangible assets	-	162,058	162,058
Other assets	-	559,831	559,831
Total assets	**$ 11,979,518**	**13,145,512**	**25,125,030**

	March 31, 2026		
Liabilities	**Within 12 months**	**Over 12 months**	**Total**
Accounts payable	$ 344,246	10,215	354,461
Current tax liabilities	197,117	-	197,117
Insurance contract liabilities	6,710,613	6,956,623	13,667,236
Reinsurance contract liabilities	26,292	-	26,292
Provisions	-	41,786	41,786
Lease liabilities	14,036	3,771	17,807
Deferred tax liabilities	-	62,700	62,700
Other liabilities	-	2,275,790	2,275,790
Total liabilities	**$ 7,292,304**	**9,350,885**	**16,643,189**

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UNION INSURANCE CO., LTD.
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Assets	December 31, 2025 Within 12 months	Over 12 months	Total
Cash and cash equivalents	$ 3,316,260	-	3,316,260
Receivables	475,206	-	475,206
Financial assets at fair value through profit or loss	1,451,789	-	1,451,789
Financial assets at fair value through other comprehensive income	-	2,820,019	2,820,019
Financial assets at amortized cost	99,973	3,820,837	3,920,810
Other financial assets	3,471,900	-	3,471,900
Right-of-use assets	-	20,271	20,271
Investment property	-	857,539	857,539
Insurance contract assets	737	-	737
Reinsurance contract assets	2,311,983	3,873,098	6,185,081
Property and equipment	-	1,492,418	1,492,418
Intangible assets	-	169,497	169,497
Other assets	-	451,879	451,879
Total assets	$ **11,127,848**	**13,505,558**	**24,633,406**

Liabilities	December 31, 2025 Within 12 months	Over 12 months	Total
Accounts payable	$ 487,257	1,373	488,630
Current tax liabilities	135,859	-	135,859
Insurance contract liabilities	6,867,245	6,579,485	13,446,730
Reinsurance contract liabilities	7,024	-	7,024
Provisions	-	42,069	42,069
Lease liabilities	14,789	5,666	20,455
Deferred tax liabilities	-	62,700	62,700
Other liabilities	-	1,223,126	1,223,126
Total liabilities	$ **7,512,174**	**7,914,419**	**15,426,593**

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UNION INSURANCE CO., LTD.
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Assets	March 31, 2025 Within 12 months	Over 12 months	Total
Cash and cash equivalents	$ 3,687,065	-	3,687,065
Receivables	445,822	-	445,822
Current tax assets	11,911	-	11,911
Financial assets at fair value through profit or loss	1,860,003	-	1,860,003
Financial assets at fair value through other comprehensive income	-	2,963,943	2,963,943
Financial assets at amortized cost	-	3,063,777	3,063,777
Other financial assets	2,651,842	-	2,651,842
Right-of-use assets	-	28,287	28,287
Investment property	-	861,134	861,134
Reinsurance contract assets	1,804,150	3,022,362	4,826,512
Property and equipment	-	1,494,333	1,494,333
Intangible assets	-	197,049	197,049
Other assets	-	496,512	496,512
Total assets	**$ 10,460,793**	**12,127,397**	**22,588,190**

Liabilities	March 31, 2025 Within 12 months	Over 12 months	Total
Accounts payable	$ 268,940	9,766	278,706
Current tax liabilities	251,839	-	251,839
Insurance contract liabilities	6,322,922	6,057,970	12,380,892
Reinsurance contract liabilities	25,578	-	25,578
Provisions	-	69,586	69,586
Lease liabilities	14,670	13,735	28,405
Deferred tax liabilities	-	62,700	62,700
Other liabilities	-	1,128,722	1,128,722
Total liabilities	**$ 6,883,949**	**7,342,479**	**14,226,428**

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UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(f) Other disclosures in accordance with regulations governing the preparation of financial reports by insurance enterprises:

(i) The details of the market values of investments which were held for investment purpose by the discretionary investment trust fund：Refer to Note 6(f).

(ii) Information regarding to discontinued operations: None.

(iii) Material revolutions of adjustments of organization and management policy: None.

(iv) Material influence because of the regulations changed: None.

(v) The Loan because of paying large amount of claims: None.

(g) Disclosure in accordance to "catastrophe special reserve and equalization special reserve", "the special reserve for resident earthquake insurance" and "the special reserve for nuclear insurance":

For the three months ended March 31, 2026 and 2025, the influence for not applying the notification on net income, liabilities, and equity of the Company resulted in an increase of $2,779 and $13,591, a decrease of $1,160,253 and $13,591, an increase of $1,160,253 and $13,591, respectively. The influence on the Company for not applying the notification resulted in the EPS (NT dollars) by an increase of $0.01 and $0.06, respectively.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “ the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” for the Company:

(i) Acquisition of individual real estate with amount exceeding the lower of NT$100 million or 20% of the capital stock: None.

(ii) Disposal of individual real estate with amount exceeding the lower of NT$100 million or 20% of the capital stock: None.

(iii) Related-party transactions for purchases and sales with amount exceeding the lower of NT$100 million or 20% of the capital stock: None.

(iv) Receivables from related parties with amount exceeding the lower of NT$100 million or 20% of the capital stock: None.

(v) Trading in derivative instruments: None.

(b) Information on investees: None.

(c) Information on investment in mainland China: None.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(14) Segment information:

(a) General information

The Company primarily conducts its business in property insurance, which is the single mostly significant business unit for the Company, furthermore major decisions are based on the business activity’s company-wide report to determine performance evaluation and the allocation of resources, therefore it is not necessary to individually disclose operational information of reportable segments.

(b) Region information

The Company's business is primarily located in Taiwan.