

Content

Title :	Regulations Governing the Preparation of Financial Reports by Insurance Enterprises Ch
Date :	2025.12.26
Legislative :	Article 9, Article 17, Subparagraph 9 of Article 20, Form 5-3 of Article 19, and Form 16 of Article 22 amended and issued on December 26, 2025 per Order No. Ref. Jin-Kuan-Bao-Tsai 11404950261 of the Financial Supervisory Commission.
Content :	<p>Article 9</p> <p>Assets shall be properly classified and presented in the order of relative liquidity.</p> <p>For each asset line item, the total amount expected to be recovered within 12 months after the balance sheet date and the total amount expected to be recovered more than 12 months after the balance sheet date shall be separately disclosed in the notes to the financial statements (referred to as the "Notes" hereunder).</p> <p>Assets presented in the balance sheet shall include at least the following line items:</p> <ol style="list-style-type: none">1. Cash and cash equivalents:<ol style="list-style-type: none">(1) Cash on hand, demand deposits, and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.(2) An insurance enterprise shall disclose the components of cash and cash equivalents and the policy which it adopts in determining the composition of cash and cash equivalents.2. Receivables: Including receivables other than insurance contract assets or liabilities and reinsurance contract assets or liabilities, such as notes receivable, premiums receivable and other receivables.<ol style="list-style-type: none">(1) Notes receivable:<ol style="list-style-type: none">A. These receivables include notes receivables and non-accrual receivables.B. Notes receivable shall be measured at amortized cost using the effective interest method. However, short-term notes receivables with no stated interest rate may be measured at the original invoice amount if the effect of discounting is immaterial.C. With respect to discounted or transferred notes receivable, an assessment shall be made to determine whether the risks and rewards of the notes receivables, and the control retained over them will qualify them for derecognition under IFRS 9.D. Notes receivables arising from operating activities and other notes receivable arising from non-operating activities shall be separately presented. Notes receivables from related parties in significant amounts shall also be separately presented.E. Notes furnished as security shall be indicated in the Notes.F. The amount of non-accrual receivables shall be disclosed in the Notes.(2) Other receivables:<ol style="list-style-type: none">A. These receivables include receivables and non-accrual receivables other than notes receivable and premiums receivable.B. The amount of non-accrual receivables shall be disclosed in the Notes.3. Current tax assets: The portion of the tax amount already paid in respect of current and prior periods that exceeds the amount due for those periods.4. Assets held for sale:<ol style="list-style-type: none">(1) "Assets held for sale" means any asset or asset included in a disposal group held for sale, that is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups), and whose sale must be highly probable.

(2) The measurement, presentation, and disclosure of assets held for sale and disposal groups held for sale shall be made in accordance with IFRS 5.

(3) When assets or disposal groups classified as held for sale no longer meet the criteria in IFRS 5, they shall cease to be classified as held for sale.

(4) When assets or disposal groups meet the definition of held for distribution to owners, they shall be reclassified from held for sale to held for distribution to owners, and shall be deemed an extension of the original disposal plan, and the classification, presentation, and measurement of the new disposal plan shall apply. When the assets or disposal groups classified as held for distribution to owners no longer meet the criteria in IFRS 5, they shall cease to be classified as held for distribution to owners.

5. Financial assets measured at fair value through profit or loss:

(1) These assets refer to financial assets other than those measured at amortized cost or those measured at fair value through other comprehensive income.

(2) Financial assets carried at amortized cost or at fair value through other comprehensive income may be designated as financial assets measured at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch.

6. Financial assets measured at fair value through other comprehensive income:

(1) Debt instrument investments that meet the following conditions simultaneously:

A. The debt instrument is held by the insurance enterprise within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

B. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(2) Equity investments not held for trading for which an irrevocable election is made at initial recognition to recognize changes in fair value in other comprehensive income (fair value through other comprehensive income).

7. Financial assets measured at amortized cost are assets that meet the following conditions simultaneously:

(1) The debt instrument is held by the insurance enterprise within a business model whose objective is achieved by collecting contractual cash flows; and

(2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

8. Financial assets for hedging are effective hedging instruments designated as such according to hedge accounting requirements.

9. Investments accounted for using the equity method:

(1) The valuation and presentation of investments accounted for using the equity method shall be made in accordance with IAS 28.

(2) When investment gain or loss is recognized, if the financial report prepared by an associate do not conform to these Regulations, the financial report shall first be adjusted to achieve conformance before it may be used to recognize investment gain or loss. The financial report of an associate to which the equity method applies shall be prepared as of the same date as that of the investor, and if prepared as of a different date, adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the investor's financial report. However, under no circumstances should the difference between the balance sheet date of the associate and that of the investor be longer than three months. If a CPA determines, pursuant to Standards on Auditing 320, that an associate has a material effect on the fair presentation of the financial report of an investor, the financial report of the associate shall be audited by a CPA in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing .

(3) If an investment accounted for using the equity method is pledged as collateral or otherwise subject to any restriction or limitation, the fact

shall be noted.

10. Other financial assets: Financial assets not attributable to any of the classes above; if the loss allowance is set aside, the financial asset shall be presented on a net basis with the loss allowance deducted.

11. Right-of-use asset:

(1) Means an asset that represents a lessee's right to use an underlying asset for the lease term.

(2) A right-of-use asset shall be accounted for in accordance with IFRS 16.

12. Investment property:

(1) Investment property shall mean property held, by the owner or by the lessee with the right of use, to earn rentals, or for capital appreciation, or both.

(2) Investment property shall be accounted for in accordance with IAS 40, and investment property that is subsequently measured using the fair value model shall be subject to the following provisions:

A. Fair value measurement shall use income approach or cost approach.

However the preceding provision does not apply to investment properties that have been subsequently measured after initial recognition using the fair value model prior to the promulgation of the amendment on May 11, 2020, in which case, valuation shall use market value as basis of fair value measurement, and may not be performed based on specific market value, specified market value or special value.

B. An investment property that is leased out with a lease term of more than one year shall be measured using the income approach and subject to the following provisions:

a. Cash flow: Cash flow shall be valued on the basis of existing lease. If there is an end-of-period value, the present value of the end-of-period value may be added.

b. Analysis period: When there is no specified period for the income, the analysis period should not be longer than the years of the property's physical durability; when there is a specified period for the income, the income shall be estimated for the remainder of the specified period.

c. Discount rate: The discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus an estimate based on the individual characteristics of the investment property. The term "based on a certain interest rate" means the interest rate may not be lower than the floating interest rate offered by the Chunghwa Post Co., Ltd. for 2-year time deposit of a small amount, plus 1.25 percentage points.

C. An investment property without a lease term of more than one year or with a lease that has been terminated, rescinded or nullified for more than one year shall be measured using the cost approach.

D. An insurance enterprise shall, at the time fair value model is adopted for its investment property, engage an external joint appraisers office to assess the value of each and every investment property in accordance with relevant provisions of these Regulations, and at the balance sheet date, engage an appraiser to review the original appraisal report to determine whether to issue a new appraisal report. In addition, an insurance enterprise shall obtain an appraisal report issued by an appraiser at least once every half a year.

E. When the valuation of any single investment property held is above NT\$1 billion, an insurance enterprise shall engage at least two joint appraisers offices to conduct the appraisal.

F. Property valuation shall use market value as basis of fair value measurement, and may not be performed based on specific market value, specified market value or special value.

G. If an insurance enterprise uses the fair value model for subsequent measurement of investment property, it shall adopt the same model for all of its investment property in accordance with IAS 40. However for vacant lands, an insurance enterprise shall measure the property in accordance with paragraph 53 of IAS 40 after obtaining construction license and undertaking development, and describe the change in the Notes for the current year.

H. The external joint appraisers office mentioned in Item (2). D. hereof and its appraisers shall perform appraisal in accordance with the relevant Statements of Valuation Standards issued by the Accounting Research and

Development Foundation (ARDF), the Real Estate Appraiser Act and the Regulations Governing Real Estate Appraisals as well as appraisal methods and appraisal report contents set out in the technical bulletins issued by the real estate appraisers association, and shall meet the following requirements:

- a. The joint appraisers office shall have at least five employees and at least two practicing real estate appraisers who are members of an real estate appraisers association.
- b. The appraiser must have at least 5 years of practical experience in real estate appraisal.
- c. The appraiser has had the experiencing of participating in the valuation of real estate owned by a domestic company listed on Taiwan Stock Exchange (TWSE) or Taipei Exchange (TPEX).
- d. The appraiser has relevant appraisal experience within the past year with respect to the location and category of the investment property being appraised.
- e. The appraiser has never received a fixed prison sentence or a more severe punishment from a court due to an offense involving fraud, breach of fiduciary duty, embezzlement, or forgery in connection with real estate appraisal business.
- f. The appraiser does not have a related party or substantive related party relationship as defined in IAS 24 with the insurance company requesting valuation service.
- g. The appraiser does not have a record of poor credit in connection with negotiable instruments or with debt in the most recent 3 years nor a record of being subject to disciplinary action by a real estate appraiser disciplinary board in the most recent 5 years.
- I. The appraiser shall issue a statement undertaking at least that he or she does not have a direct or indirect substantive relationship with the insurance enterprise requesting appraisal service and the legal consequences of failing to comply with applicable laws and regulations or failing to perform due professional care.
- J. An insurance enterprise shall establish operating procedures for real estate valuation and include them in its internal control system. The procedures shall encompass the professional qualifications and conditions to be met by the outsourced joint appraisers office and appraisers, obtaining and analysis of information, checking the pertinence of appraised value and external appraisal report and preservation of relevant documents. The documentation regarding the checking of external appraisal report shall present information on which the checking is based and reasons for the conclusion reached, and shall be signed by the responsible officer. In addition, the checking shall cover at least whether the contents of the appraisal report are complete with respect to the following: basic data on the subject property, appraisal date, transactions of comparable properties located in the area of the subject property, assumptions and limitations of the appraisal, appraisal method and procedures, the pertinence of conclusions reached, and appraisal reporting date, whether there is error in the calculation of appraised value, whether assumptions made in the appraisal or reference data quoted are inappropriate or erroneous, and the reasonableness and veracity of appraisal parameters that have significant influence on the appraisal results. The checking documents shall be retained for at least 5 years for future reference of the competent authority.
- K. A CPA shall review the appraisal report issued by a joint appraisers office engaged by an insurance enterprise in accordance with Statement of Auditing Standards No. 71 Standards on Auditing 620. The review process performed by the CPA shall be double checked item-by-item by the professional evaluation team in the office the CPA works for so as to confirm the reasonableness of the methods and calculations used and made in the appraisal report.
- L. The professional evaluation team at the CPA office described above should include a member meeting ROC' s qualification requirements for real estate appraiser. If not, the CPA office may engage the service of an external real estate appraiser that meets the qualification requirements set out in Item (2). H. hereof.
- M. Disclosure of investment property that is subsequently measured using

the fair value model, in addition to being handled in accordance with IAS 40, shall include the following information in the Notes:

- a. Description of the appropriateness and reasonableness of appraisal methods used and important assumptions and parameters used;
- b. If the above information differs substantially from that for prior periods, description of the reason for the difference and the effect on the fair value;
- c. If there is a situation provided in IAS 40 paragraph 53, description of reasons therefor and subsequent changes made; and
- d. Information on the names of the joint appraisers office and appraiser used, and appraisal date.

(3) If an investment property is pledged as collateral or otherwise subject to any restriction or limitation, the fact shall be noted.

13. Loans: They include insurance contract loans of investment contracts, insurance contract premium of investment contracts and secured loans.

(1) Insurance contract loans of investment contracts: Loans made pursuant to the insurance contract through application by the proposer, with the policy as collateral, for insurance contracts issued by insurance enterprises that meet the definitions for investment contracts specified in IFRS 9.

(2) Insurance contract premium loans of investment contracts: Loans made pursuant to the insurance contract to pay a premium due, for insurance contracts issued by insurance enterprises that meet the definitions for investment contracts specified in IFRS 9.

(3) Secured loans:

A. All loans made in accordance with Article 146-3 of the Act or approved by the competent authority on an ad hoc basis. Secured loans include loans guaranteed by banks, loans backed by pledge or collateral of real property, movable property, or securities, and loans and non-accrual receivable approved by the competent authority on an ad hoc basis.

B. Secured loans of significant amount to related parties shall be presented separately from other loans. An insurance enterprise shall assess impairment loss or uncollectible amount of secured loans on the balance sheet date in accordance with the Regulations for Handling Assessment of Assets, Non-performing Loans, Non-accrual Receivable and Bad Debts by Insurance Enterprises and IFRS 9, with an appropriate amount of loss allowance set aside and non-accrual receivable disclosed in the Notes.

C. Secured loans shall be measured at amortized cost using the effective interest method. However, secured loans may be measured at the original loan amount if the effect of discounting is immaterial.

14. Insurance contract assets: Assets of insurance contracts and investment contracts with discretionary participation features recorded as debit balance after aggregated to insurance contract portfolios recognized pursuant to IFRS 17, Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, and Regulations Governing Financial and Business Operations of Professional Reinsurance Enterprises. They include the liability for remaining coverage, the liability for incurred claims, and assets for insurance acquisition cash flows.

15. Reinsurance contract assets: Assets of reinsurance contracts recorded as debit balance after aggregated to reinsurance contracts held portfolios recognized pursuant to IFRS 17, Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, and Regulations Governing Financial and Business Operations of Professional Reinsurance Enterprises. They include the asset for remaining coverage and the asset for incurred claims, and the effect of any risk of non-performance by the issuer of the reinsurance contracts.

16. Property and equipment:

(1) "Property and equipment" means tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used during more than one fiscal year.

(2) Property and equipment shall be subsequently measured using the cost model and accounted for in accordance with IAS 16.

(3) Each component of property and equipment that is significant shall be depreciated separately. The depreciation method used shall reflect the pattern in which the asset's future economic benefits are expected to be

consumed. If that pattern cannot be determined reliably, the straight-line method shall be used. The depreciable amount should be allocated on a systematic basis over the asset's useful life.

(4) When items of property and equipment have different useful lives, or provide economic benefits in different ways, or are subject to different depreciation methods or depreciation rates, each class of their material components shall be presented in the Notes.

(5) If a property or equipment is provided as a guarantee, pledged or subject to a lien in accordance with Paragraph 3, Article 143 of the Act with approval of the competent authority, the fact shall be noted.

17. Intangible assets:

(1) An intangible asset is an identifiable non-monetary asset without physical substance that meets the definition of identifiability, control by an entity, and existence of future economic benefits.

(2) Intangible assets shall be subsequently measured using the cost model and accounted for, recognized, measured, and disclosed in accordance with IAS 38.

(3) The amortization method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used. The amortized amount of an intangible asset shall be allocated on a systematic basis over its useful life.

18. Deferred tax assets: It refers to the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carryforward of unused tax losses, and the carryforward of unused tax credits.

19. Other assets: It refers to assets not attributable to any of the classes above, including prepayments, service contract assets, incremental costs of obtaining a contract, non-operating assets, miscellaneous assets, guarantee deposits paid (including the classes of assets above that are used as deposits), temporary payments and suspense accounts, reinsurance contract performance reserve contributed, deferred expenses, special-purpose funds and other miscellaneous assets.

(1) Prepayments include prepaid expenses, office supplies and other prepayments.

(2) Service contract assets refer to assets recognized pursuant to IFRS 15 in the form of distinct goods or services sold as insurance products by insurance enterprises that have been transferred to customers but for which the insurance enterprises have not yet attained a right to consideration that is unconditional.

(3) Incremental costs of obtaining a contract are incremental sales costs attributed to the provision of services that are recognized in accordance with IFRS 15. Considerations for recognition method and the end of reporting period should be consistent with related service contracts.

(4) Reinsurance contract performance reserve contributed are performance bonds deposited to various ceding company pursuant to reinsurance contracts.

(5) Impairment or unrecoverable amount of guarantee deposits paid and reinsurance contract performance reserve contributed shall be assessed at balance sheet date with an appropriate amount of loss allowance set aside and non-accrual receivable disclosed in the Notes.

(6) Collaterals and residuals taken over are collaterals or articles originally or additionally provided by borrowers according to law or as agreed to repay the money borrowed. Collateral and residuals taken over shall be stated at the price of possession, and assessed at balance sheet date based on its carrying value or fair value less cost of sale, whichever is lower.

(7) Special-purpose funds are assets set aside for special purposes. The proposal and measure that the appropriation of funds is based on should be noted. Welfare fund set aside in accordance with the Employee Welfare Fund Act shall be recorded as expense.

20. Assets on insurance products - separate account: This is the sum total of assets on insurance product in separate accounts.

The accounting treatment and recognition and measurement of loss allowance for financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income,

financial assets measured at amortized cost, financial assets for hedging, other financial assets, loans and receivables, insurance contract assets, reinsurance contract assets, and incremental costs of obtaining a contract described in the preceding paragraph shall be carried out in accordance with IFRS 17, IFRS 9, IFRS 15, and IAS 32.

The loss allowance mentioned in the preceding paragraph shall be respectively stated as a deduction from financial assets measured at amortized cost, loans, and receivables. If those items are further classified, the loss allowance shall be stated accordingly.

An insurance enterprise shall assess at each balance sheet date whether there is any objective evidence of impairment for the items described in Paragraph 3 hereof in relation to investments accounted for using the equity method, property and equipment, right-of-use assets, investment property measured using the cost model, and intangible assets. If any such evidence exists, the insurance enterprise shall recognize the amount of impairment loss in accordance with IAS 36. If the recoverable amount of non-financial assets is determined on the basis of fair value less costs of disposal, disclose additional information on the fair value measurement, including the level of fair value hierarchy, valuation techniques, and key assumptions. If the recoverable amount is determined on the basis of value in use, disclose the discount rate for fair value measurement.

The fair value measurement and disclosure of financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, financial assets measured at amortized cost, financial assets for hedging, notes receivable, other receivables, assets held for sale and investment property mentioned in Paragraph 3 hereof shall be carried out in accordance with IFRS 13.

Article 17

An insurance enterprise shall separately disclose in the Notes information on the following events between the insurance enterprise and its subsidiaries during the current period, and on parent-subsidiary transactions:

1. Information on significant transactions:

- (1) Acquisition of real estate reaching NT\$100 million or 20% of paid-in capital or more.
- (2) Disposal of real estate reaching NT\$100 million or 20% of paid-in capital or more.
- (3) Transactions with related parties involving main business items reaching NT\$100 million or 20% of paid-in capital or more.
- (4) Accounts receivable from related parties reaching NT\$100 million or 20% of paid-in capital or more.
- (5) Trading in derivative instruments.
- (6) Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them, and accounting policies if the parent and subsidiaries adopt different accounting policies; in addition, amounts presented in the financial report shall be separately disclosed.

2. Information on investees (other than those in the Mainland Area):

- (1) If the insurance enterprise directly or indirectly exercises significant influence or control over, or has a joint venture interest in the investee, it shall disclose information on the investee, reporting the name, location, principal business activities, original investment amount, shareholding at the end of the period, profit or loss for the period, and recognized investment gain or loss.
- (2) If the insurance enterprise directly or indirectly exercises significant influence or control over, or has a joint venture interest in the investee, it shall disclose additionally information on loans made to others, endorsements/ guarantees for others, securities held at the end of the period, and transactions where the aggregate purchases or sales of the same security reaching NT\$100 million or 20% of paid-in capital or more.
- (3) The insurance enterprise is exempted from the requirements of items (1) to (6) of the preceding subparagraph when the investee it controls directly or indirectly is a financial, insurance, or securities enterprise.
- (4) When the total assets or insurance revenue of an investee directly or

indirectly controlled by the insurance enterprise does not reach 10% that of the insurance enterprise or the insurance enterprise directly or indirectly controls the investee's personnel, finance or business, the insurance enterprise is only required to disclose information on loans made to others, endorsements/ guarantees for others, securities held at the end of the period, and transactions where the aggregate purchases or sales of the same security reaching NT\$100 million or 20% of paid-in capital or more.

(5) The term "20% of paid-in capital" referred to under this item is calculated based on the paid-in capital of the insurance enterprise that has direct or indirect control of the investee.

3. Investment and business information on investments in the Mainland Area:

(1) If the insurance enterprise directly or indirectly exercises significant influence or control over, or has a joint venture interest in an investee in the Mainland Area, it shall disclose information on the investee company, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland Area.

(2) If the investee is an insurance enterprise, disclose additionally its location, fund utilization status and profit (loss) thereon, amounts of insurance contract assets and liabilities and reinsurance contract assets and liabilities, insurance revenue and its percentage of the insurance revenue of the investing insurance enterprise, and insurance service expenses and their percentage of the insurance service expenses of the investing insurance enterprise.

(3) Any of the following significant transactions with investees in the Mainland Area, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

A. For transactions involving each other's main business, such as underwriting an insurance policy where the proposer is the investee, the amount and percentage of transactions and the balance and percentage of the related payables at the end of the period.

B. The amount of property transactions and the amount of the resultant gains or losses.

C. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

D. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

E. The amount or balance of transactions mentioned in subitems A ~ D above that reaches 20% or more of the insurance enterprise's total amount or balance of such transactions shall be separately presented, while the rest may be added up and reported as an aggregate amount.

(4) When an insurance enterprise recognizes investment gain or loss using the equity method or prepares consolidated financial statements with respect to a Mainland Area investee, the recognition or preparation shall be made based on the investee's financial report audited and certified by an international accounting firm having a business cooperation relationship with an R.O.C. accounting firm, provided that when preparing first quarter and third quarter interim consolidated financial reports, the recognition or preparation may be made based on the investee's financial report reviewed by an international accounting firm having a business cooperation relationship with an R.O.C. accounting firm.

(5) The location of the insurance enterprise's branch in Mainland Area, the branch's outward remittances of operating capital, fund utilization status and profit (loss) thereon, amounts of insurance contract assets and liabilities and reinsurance contract assets and liabilities, insurance revenue and its percentage of the insurance revenue of the investing insurance enterprise, insurance service expenses and their percentage of the insurance service expenses of the investing insurance enterprise, and profit (loss) status.

(6) If the overseas branch of an insurance enterprise has reinsurance business dealings with the branch of a foreign insurance enterprise in

Mainland Area or the overseas branch of a Mainland Area insurance enterprise, the name of company that the overseas branch has dealings with, insurance revenue from insurance service results, and the share allocation of reinsurance premiums paid for the income or expenses from reinsurance contracts held.

(7) If the overseas branch of an insurance enterprise has insurance underwriting business dealings with Mainland Area individuals, juristic persons, organizations or other institutions, the name of business customer involving significant amount and actual premiums received. The actual premiums received refer to insurance and reinsurance premiums received from the sale of insurance policies with significant insurance risks in the business of insurance and reinsurance assumed.

4. Notes to the parent company only financial report shall disclose relevant information in accordance with the preceding three subparagraphs herein. However if the total assets or insurance revenue of an investee does not reach 10% that of the insurance enterprise, or the insurance enterprise directly or indirectly controls the investee's personnel, finance or business, provisions of Subparagraph 2 herein do not apply. If the transactions disclosed by the insurance enterprise pursuant to the aforementioned provisions have been offset during the preparation of consolidated financial report, the insurance enterprise should provide proper explanations in the notes.

Article 20

An insurance enterprise shall provide information on its business conditions in accordance with the following provisions:

1. Significant business matters:

The insurance enterprise shall provide information on matters arising over the most recent 5 fiscal years that have had a significant impact on its business, including acquisition or merger, demerger, change in management rights (equity) reaching 10% or more, transfer of business, investments in affiliated enterprises, reorganization, acquisition or disposal of major assets, and significant changes in operation method (including sales system) or business activity.

2. Remuneration to directors, supervisors, president (general manager), vice presidents (assistant general managers), and Chairmen of the board and presidents (general managers) rehired as consultants after retiring from the insurance enterprise or its affiliate enterprises and related information:

(1) Remuneration paid to directors, supervisors, president (general manager), vice presidents (assistant general managers), and consultants in the most recent fiscal year: (Form 9, and Form 9-1)

A. An insurance enterprise may opt either to disclose aggregate remuneration information, with the name(s) indicated for each remuneration bracket, or to disclose the name of each individual and the corresponding remuneration amount.

B. An insurance enterprise having any of the following circumstances is required to disclose the remuneration paid to each individual director, supervisor, president (general manager) and consultants:

a. The insurance enterprise's most recent capital adequacy ratio, whether CPA-reviewed or adjusted following FSC examination, is below statutory standard.

b. The insurance enterprise showed an after-tax deficit in the parent company only or individual financial reports for the most recent three fiscal years. This requirement, however, shall not apply if the parent company only or individual financial report for the most recent fiscal year shows net income after tax and such net income after tax is sufficient to make up the accumulated deficits.

c. The insurance enterprise is required by the FSC to increase capital but fails to complete capital increase according to its proposed capital increase plan.

C. The insurance enterprise, if a public company that has had an insufficient director or supervisor shareholding percentage stipulated in Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies for three (3) consecutive months or longer during the most recent fiscal year, shall disclose the

remuneration paid to each of the directors or supervisors.

D. The insurance enterprise that has had an average ratio of share pledging by directors or supervisors in excess of 50% in any three months during the most recent fiscal year, shall disclose the remuneration paid to each of the directors or supervisors having a ratio of pledged shares in excess of 50% for each such month.

E. If the total amount of remuneration received by all of the directors and supervisors in their capacity as directors or supervisors of the companies listed in the financial report exceeds 2% of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the insurance enterprise shall disclose the remuneration paid to that individual director or supervisor.

F. If an insurance enterprise listed on the TWSE or the TPEX is ranked in within the lowest two tier in the corporate governance evaluation for the most recent fiscal year, or in the most recent fiscal year or up to the date of publication of the financial report for that year, the insurance enterprise's securities have been placed under an altered trading method, suspended from trading, delisted from the TWSE or the TPEX, or the Corporate Governance Evaluation Committee has resolved that the insurance enterprise shall be excluded from evaluation, the insurance enterprise shall disclose the remuneration paid to each individual director and supervisor.

G. If the average annual salary of the full-time non-supervisory employees in a TWSE or TPEX listed insurance enterprise is less than NT\$500,000 in the most recent fiscal year, the insurance enterprise shall disclose the remuneration paid to each individual director and supervisor.

H. A TWSE or TPEX listed insurance enterprise had an increase of 10 percent or more in net profit after tax for the most recent fiscal year, but the average annual salary of its full-time non-management employees did not increase relative to the preceding fiscal year, the insurance enterprise shall disclose the remuneration paid to each individual director and supervisor.

I. A TWSE or TPEX listed insurance enterprise had a decline in after-tax net income reaching 10 percent and exceeding NT\$5 million for the most recent fiscal year, along with an increase in its average remuneration per director (not including the remuneration of those who are also employees) reaching 10 percent or more and exceeding NT\$100,000, the insurance enterprise shall disclose the remuneration paid to each individual director and supervisor.

J. If the circumstance in item B.b or item F applies to an insurance enterprise listed on the TWSE or the TPEX, it shall disclose the individual remuneration paid to each of its top five management personnel.

(2) Where the insurance enterprise's chairperson, president (general manager), or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its attesting CPA or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held at the accounting firm, shall be disclosed.

(3) The term "affiliated enterprise of the attesting CPA's accounting firm" means one in which the accountant(s) at the accounting firm of the attesting CPA hold more than 50% of the shares, or of which such accountant(s) hold more than half of the directorships, or a company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the attesting CPA.

(4) The term "affiliated enterprises" in this Subparagraph refers to those conforming with Article 369-1 of the Company Act.

3. Labor-management relations: (Form 10)

(1) Report major employee benefit policies, professional development, training, or retirement programs and the status of their implementation, as well as agreements between labor and management and policies for safeguarding employees' rights and interests.

(2) Report the loss sustained as a result of labor disputes in the most recent 3 fiscal years, together with the disclosure of an estimate of losses incurred to date or likely to be incurred in the future and the mitigation measures taken or to be taken. If the losses cannot be reasonably estimated, the insurance enterprise shall make a statement to

that effect.

(3) Describe any violation of the Labor Standards Act found during the labor inspection; including the disposition date, disposition reference No., provisions of the regulations breached, description of the violation, and the disposition.

4. Cyber security management:

(1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

(2) List the losses suffered in the most recent fiscal year due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

(3) Impact of cyber security risks on the Company's finance and operations, and measures taken in response.

5. Changes in president (general manager), chief audit officer and actuaries in the most recent 2 years.

6. Changes in the method for allocation of all kinds of reserves.

7. The insurance enterprise had the situation in the most recent year where its shareholders' meeting has adopted the resolution to carry out capital increase or decrease or its board of directors (council) has adopted the resolution to issue new shares but the application (or filing) was not approved (or approved for record) by the FSC, or where its application for capital change registration was not approved by the Ministry of Economic Affairs.

8. Cases of claim payment and claim recovery from reinsurer involving amount exceeding NT\$20 million in the most recent 3 years and financial impact analysis therefor.

9. Names of reinsurers to whom the allocation of reinsurance premiums paid for gains or losses on reinsurance contracts held in the most recent year account for more than 1% of total insurance revenue and the credit rating of those reinsurers.

10. Where a credit rating agency has been engaged to rate the reinsurer, the name of the credit rating agency, and date and result of rating; if no credit rating agency is engaged, such fact shall be disclosed as well.

Article 39

These Regulations shall come into force from the date of promulgation, with the exception of Article 2, Article 4, Article 6, Paragraph 1 of Article 7, Articles 8 ~ 11, Item (4)-G of Subparagraph 1, Subparagraphs 10, 13 and 14 of Paragraph 4 of Article 12, Article 13, Article 15, Subparagraph 2, Paragraph 1 of Article 17, Article 19, Article 26, Article 27, Article 30, and Article 34 amended and promulgated on October 21, 2014, which shall come into force from fiscal year 2015 on, articles amended and promulgated on January 24, 2017, which shall come into force from fiscal year 2017 on, articles amended and promulgated on August 23, 2017, which shall come into force from fiscal year 2018 on, subparagraphs 11 and 12 of Paragraph 3, and Paragraph 6 of Article 9, Article 10, Article 15, Article 29, and Form 1 of Article 19 amended and promulgated on July 30, 2018, which shall come into force from fiscal year 2019 on, articles amended and promulgated on March 24 and May 11, 2020, which shall come into force from fiscal year 2020 on, and articles amended and promulgated on November 18, 2021, which shall come into force from fiscal year 2022 on, Article 6 and Article 9, amended and promulgated on December 29, 2022, which shall come into force from fiscal year 2023 on, articles amended and promulgated on November 8, 2023, which shall come into force from fiscal year 2026 on, Subparagraph 9 of Article 20 amended and promulgated on January 23, 2024, which shall come into force from fiscal year 2026 on, Article 9, Article 17, Subparagraph 9 of Article 20, Form 5-3 of Article 19, and Form 16 of Article 22 amended and promulgated on December 26, 2025, which shall come into force from fiscal year 2026, and the deletion of Subparagraph 5 of Article 17 under the old Act, which shall come into force in fiscal year 2025.