CTBC HOLDING
TAIWAN LIFE

2025 ANNUAL REPORT
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https://www.taiwanlife.com
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Sustainable governance and biodiversity conservation

CTBC Holding is helping protect Taiwan's biodiversity by partnering with Taijiang National Park to create wildlife-friendly habitats, putting its commitment to environmental sustainability into practice and working toward a more harmonious relationship with the land.

I. The Company's spokesperson and acting spokesperson

1. Spokesperson: Pai-Hung Yeh
   Title: Executive Vice President
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2. Acting spokesperson: Chung-Ching Chuang
   Title: President
   Tel: (02)8170-9888
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3. Acting spokesperson: Shu-Mei Su
   Title: Senior Vice President
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II. Address and telephone of the head office and branches

1. Head office:
   8F, No. 188, Jingmao 2nd Road, Nangang District, Taipei City
   Telephone: (02)8170-9888
2. Branches:
   (1) Taipei Branch: 2F, No. 50, Sec. 1, Zhongxiao W. Rd., Zhongzheng District, Taipei City
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   (3) Taichung Branch: 13F-1, No. 88, Sec. 1, Huizhong Rd., Xitun District, Taichung City
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   (4) Chiayi Branch: 3F, No. 3, De'an Rd., West District, Chiayi City
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III. Stock transfer agency

Name: CTBC Bank Stock Affairs Department
Address: 5F, No. 83, Sec. 1, Chongqing S. Rd., Taipei City
Telephone: (02)6636-5566
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IV. CPA who audited the financial statements for the most recent year

Name: Pei-Ju Tsai, Chun-Kuang Chen
Accounting firm name: KPMG Certified Public Accountants
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V. Name of trading site for securities listed overseas and how to search for the said overseas securities: None

VI. Company website:

https://www.taiwanlife.com/

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ONE. Letter to Shareholders

I. Business Results in the Previous Year

(I) Implementation results of the 2025 Business Plan

In 2025, the life insurance industry suffered relatively large exchange rate losses due to the sharp appreciation of the Taiwan dollar in April and May. This led to the competent authorities announcing the New Standards for Foreign Exchange Valuation Reserve, as well as the interim measures for adjusting the policy reserve provisioning basis, helping life insurance companies to more flexibly adjust their hedging operations in response to exchange rate fluctuations. Taiwan Life Insurance made an early strategic decision to extend our hedging period, mitigating the impact of the rapid appreciation and effectively reducing foreign exchange losses. At the same time, we took advantage of opportunities in the stock market and realized capital gains in a timely manner. In 2025, the Company's net income reached NT$20.8 billion with a return on equity (ROE) of 12.2%, placing the Company among the leading companies in the industry.

Taiwan Life Insurance's premiums from new contracts totaled NT$74.5 billion in 2025, an increase of 54% over the previous year and outperforming the market growth rate. The Company's operating strategy in 2025 focused on expanding the scale of new contracts to increase investable assets. Through our diverse and competitive products, the Company ranked first in the industry in terms of bancassurance channel new contract premium market share. New contract premiums earned through insurance brokers and agents also doubled, showing significant growth. Taiwan Life Insurance has also monitored market trends closely. In order to satisfy demand from high-net-worth customers and customers with health and retirement needs, the Company conducted a pilot launch of our wealth management business in the Kaohsiung region in 2025. We also established the CTBC Lohas subsidiary and created differentiated advantages by integrating products with services, boosting insurance income. Our business performance report is as follows:

1. In 2025, first-year premiums amounted to NT$74.5 billion, growing 54% compared to the previous year: Due to recovering market demand for investment-linked products, sales grew by 128% compared to the previous year, higher than the industry growth rate.
2. Total premiums in 2025 amounted to NT$175.5 billion.

(II) Execution of the 2025 Budget

Taiwan Life Insurance earned a net profit after tax of NT$20.8 billion in 2025, a decrease of NT$600 million compared to 2024. This was mainly due to adopting the announced interim measures for adjusting the policy reserve provisioning basis, and external regulations requiring the Company to set aside 30% of profits at the end of the year (NT$8.5

billion) into the foreign exchange valuation reserve. Without the impact of these external regulations, the Company would have made a significantly higher profit compared to the previous year. Additionally, the Company also took advantage of market opportunities to timely realize capital gains, generating a return on equity (ROE) of 12.2%, placing the Company among the industry leaders.

(III) Financial income and expenditure and profitability analysis

1. Consolidated total assets: NT$2,345.4 billion.
2. Consolidated net income after tax: NT$ 20.8 billion
3. Earnings Per Share: NT$3.35; EPS before applying foreign exchange valuation reserve was NT$5.56.

(IV) Research and development status

In 2025, Taiwan Life Insurance won 67 major awards across various fields as our brand influence continues to rise. Moreover, the Company has held the title of "Best Life Insurance Brand, Taiwan" by Global Brands Magazine for eight consecutive years. We have also obtained multiple patents in Taiwan, accumulating a total of 34 patents as of 2025.

1. Products
   (1) Traditional products: The Company has actively developed new products in response to market demand and regulatory changes, and has particularly focused on promoting new protection products. We have continued to develop various health-promoting products, and encouraged our policyholders to actively manage their own health, helping to improve public health while also enhancing the Company’s income stability. The Company will continue to uphold our philosophy of Treating Customers Fairly and Caring for the Disadvantaged, and will continue promoting insurance policies for people with pre-existing conditions and micro-insurance policies, as well as providing dedicated insurance to specific groups, in order to comprehensively meet the different insurance protection needs of the Taiwanese public and create synergistic growth for policyholders, society, and the Company.
   (2) Investment-linked products: In response to increasing market volatility and customer wealth management needs, the Company has continued to develop guaranteed benefit products, discretionary investment-linked product strategies, and new types of products which fit our product strategies, in order to enhance monitoring of investment risks and improve funding flexibility to effectively diversify investment risks. Also, investment strategies will elevate efforts to promote ESG (Environmental, Social, Governance) and sustainability, in order to satisfy customer demand for more diversified investment options and to fulfill our

corporate social responsibility.

2. Service
   (1) Taiwan Life Insurance has adopted a customer-centric approach, enhancing customer experience and increasing operational efficiency through automation and technological intelligence. This includes optimizing our system's rule engine and developing an auto-closure function, in order to increase the auto-approval rate. The Company also utilizes digital tools to build virtual assistants for intelligent underwriting, claims, and other processes, while also continuing to collect the Voice of the Customer (VOC) to improve the quality and efficiency of policy service processes and create the best customer experience.
   (2) Through adopting the "insurance + service" model to meet customers' needs and gain a competitive advantage, Taiwan Life Insurance takes the lead in the industry by establishing CTBC Lohas, a subsidiary providing health and elderly care services. We have also developed the Taiwan Life Wellness Concierge platform to provide customers with one-stop services covering disease prevention, medical care, and rehabilitation support.
3. Sustainability
   (1) Taiwan Life Insurance has fully utilized the influence of sustainable financial investing, investing into multiple sustainability projects related to solar power generation, power storage equipment, sewage treatment, and offshore wind power generation. We are also the first Taiwanese insurance company to have participated in project financing for offshore wind power generation, and have provided syndicated loans for multiple offshore wind power projects. As of 2025, our total domestic and overseas sustainable financial investments amount to NT$122.8 billion.
   (2) Taiwan Life Insurance monitors the ESG performance of investee companies through engagement and attending board of director's meetings, doing our part for the Earth. For 4 consecutive years (from 2022 to 2025), we have been included by the Taiwan Stock Exchange on the List of Institutional Investors with Better Performance on Information Disclosure Stewardship.
   (3) Taiwan Life Insurance has won numerous ESG investment awards, including the Project Investment Category Award in the Six Core Strategic Industries and Public Construction Competition, and the Green Leadership Award in the 2025 Asia Responsible Enterprise Awards.

II. Business Plan Summary for the Current Year

(I) Business plans for the current year

In line with the adoption of IFRS 17 and the new Taiwan Insurance Solvency (TIS) standard in 2026, Taiwan Life Insurance has continued to optimize our asset-liability management mechanisms, formulate optimal operating and investment strategies, and develop products and services that meet customer demands, in order to increase sales of foreign currency and protection products. We have also continued sales of investment-linked products.

(II) Business goals for the current year

Increase the quality and quantity of new contracts sold, strengthen the Company's fundamental profit base, and enhance the Company's long-term value.

(III) Key business policies for the current year

1. Continue focusing on developing products and services that meet customer needs through a customer-centric approach, improve sales of foreign currency and insurance products, and continue sales of investment products, increasing the quality and quantity of new contracts sold.
2. Enhance IT infrastructure, complete implementation of the New Core System, optimize customer service efficiency, accelerate support for new businesses, and ensure uninterrupted services and customer rights protection.
3. Expand investment portfolio scope and improve investment operations and capabilities. Continue diversifying asset allocations and actively participate in domestic public construction projects, in line with government policies incentivizing the investment of insurance capital into public construction.
4. Continue adhering to the sustainability strategy of our parent company CTBC Holding, and continue promoting the dual pillars for ESG development to achieve a low-carbon transition and promote a positive social impact.

III. Future Company Development Strategy

Taiwan Life Insurance will continue to strengthen our fundamental profit base, and become the most robust insurance company recommended by customers.

(I) Continue to strengthen fundamental profit base, and grow the Company's long-term profits.

1. Continue to expand sales of value-based products (protection and foreign currency products), and continue to sell investment-linked products in order to enhance our fundamental profit base and increase capital.
2. Create advantages by offering differentiated products and services, continue developing medical technology, health promotion, elderly needs, and wealth management products able to meet the needs of our customers. Through the CTBC Lohas subsidiary and an external collaboration business model, look to satisfy customer health, retirement, and wealth management needs, and create more closely integrated products and services in

order to provide customers with a comprehensive package of services, increasing premiums and sales.

3. Optimize asset-liability management, expand the scope of our investment portfolio, and enhance our investment operations and capabilities, in order to continuously improve investment returns.

(II) Continue improving infrastructure to offer the best possible customer experience across the entire customer journey, and to facilitate an IT transformation while launching the complete New Core System, creating optimal operational efficiency.

1. Continue to be customer centric, manage customer experience for each customer touchpoint, and continue optimizing service quality and efficiency based on customer feedback.
2. Continue expanding the use of digital tools and incorporating smart technology elements to strengthen underwriting and claims risk management. Continue improving the customer experience and operational efficiency through adopting new technologies and AI applications.
3. Continue to deepen the information framework transition, build a scalable high-performance digital platform, and ensure that IT development becomes the core driving force behind business growth, supporting rapid market expansion and operational stability.
4. Build an enterprise-level data platform able to integrate AI technologies and big data analysis to drive business innovation and precision marketing using data.

(III) Continue promoting the dual pillars for ESG development

1. In order to achieve the Group's 2050 net zero emissions targets, and pursuant to the science-based targets (SBT) set by the Holding Company, Taiwan Life Insurance has committed to backing out of investments into high carbon emitting industries, lowering the environmental impact of our investments, and exerting and expanding our influence as an institutional investor.
2. In line with the United Nations Sustainable Development Goals (SDGs), and after observing customer demand, Taiwan Life Insurance has continued to promote and develop sustainable insurance products and services or low-carbon products. This has enabled us to make greater contributions to sustainable financial services and products, showcasing our determination to uphold a long-term commitment to sustainability.

(IV) Continue to strengthen the link between risk and solvency assessment mechanisms and business goals, investment and business plans, and capital and risk management. Conduct risk analyses which take into consideration our business strategy, investment and business plans, and external market conditions, in order to improve management of our risk appetite.

IV. Impacts Due to the Competitive Environment, Regulatory Environment, and Overall Business Environment

(I) In response to the 2026 adoption of IFRS 17 and the new Taiwan Insurance Solvency (TIS) standard, Taiwan Life Insurance has continued to optimize our asset-liability management mechanism. We have adopted the newly amended insurance industry accounting standards for exchange gains and losses announced by the Financial Supervisory Commission (the Amendment to the Directions for the Setting Aside of Foreign Exchange Valuation Reserve by Life Insurance Enterprises and the Amortized Cost Bond Exchange Rate Amortization Method for the life insurance industry), enabling us to implement more flexible hedging strategies in response to exchange rate fluctuations. We have also continued to expand the scope of our investment portfolio, and maintained diversified asset allocations, establishing solid and durable sources of profit and strengthening our investment operations and capabilities to enhance the Company's profitability and competitiveness.

(II) In response to healthy aging trends, Taiwan Life Insurance has designed and developed health spillover products to meet customer needs, creating differentiation advantages through our insurance products and services.

(III) As the competent authority and international trends continue to focus on ESG-related issues, Taiwan Life Insurance has aligned with CTBC Holding's 2050 net-zero emissions targets and set science-based targets (SBT) as part of our commitment to back out of investments into high carbon-emitting industries, reducing the environmental impact of our investments while expanding our influence as an institutional investor for sustainability.

Chairman

Shu-Po Hsu

TWO. Statement on Internal Control

Taiwan Life Insurance Co., Ltd.

Statement on Internal Control

The Company conducted an internal audit of its internal control system from January 1, 2025 to December 31, 2025, and hereby declares the following:

I. The Company acknowledges and understands that the establishment, enforcement and management of the internal control system are the responsibility of the Board of Directors and management, and that the Company has already established such a system. The purpose of the internal control system is to reasonably ensure the attainment of business, financial reporting, and compliance goals. Business goals pursue the effectiveness and efficiency of operations, including profits, performance, and the protection of asset safety. Financial reporting goals pursue the reliability of financial reporting. Compliance goals pursue compliance with related laws and regulations. The compliance system is a part of the internal control system for achieving compliance goals. Financial records and statements are prepared in accordance with the Insurance Act and related regulations. The basis for preparation is consistent and part of the outcome of the internal control system for financial reporting.

II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. The Company determines whether or not the design and implementation of its internal control system is effective based on the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises (hereinafter referred to as the "Governing Regulations") promulgated by the Financial Supervisory Commission (FSC). The determination above is based on items set forth in the Regulations for determining the effectiveness of the internal control system. The internal control system is divided into five elements: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each of the elements in turn contains several determinating items. Please see the "Implementation Regulations" for the aforesaid items.

IV. The Company has examined the effectiveness of its design and execution against the criteria above for an internal control system.

V. Based on the results of the examination in the preceding paragraph, the Company believes that the design and execution of the internal control system (including operations, financial reporting, overall implementation status of information security, and compliance) for the aforesaid period, except for the matters listed in the table, was able to reasonably ensure that the Board of Directors and managers are aware of the progress of business goals, and that financial reporting and compliance goals are achieved. The Company also believes that the financial records and statements were prepared in accordance with the Insurance Act and related regulations, and that the basis for preparation is consistent and the records and statements are correct.

VI. This Statement will become a main part of the Company's annual report and prospectus. Any illegal misrepresentation or omission relating to the public statement above is subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities and Exchange Act or other regulations related to the Insurance Act.

VII. This statement has been passed by the Company's Board of Directors on March 2, 2026.

To

Financial Supervisory Commission

Declarers: Taiwan Life Insurance Co., Ltd.

Chairman: Shu-Po Hsu

President: Chung-Ching Chuang

Chief Auditor: Chang-Yun Chou

Chief Compliance Officer: Shih-Chun Lin

Chief Information Security Officer: Chung-Chieh Chan

March 2, 2026

Attached Table:

Issues and corrective actions for Taiwan Life Insurance Co., Ltd. internal control system statement

(As of Dec. 31, 2025)

Issue for improvement	**Corrective actions**	**Target completion date**
1. The 2024 FSC limited-scope examination of Taiwan Life found the deficiencies listed below. An administrative fine of NT$7.2 million was imposed on Feb. 20, 2025. (1) Deficiencies in the design and implementation of internal controls for claims processing, violating the principle of checks and balances. (2) Failure to properly implement follow-up procedures for the archiving of closed claims cases. (3) Lack of a mechanism to verify the completeness of claims documents. (4) Failure to report major contingencies in accordance with regulations.	(1) Relevant procedures were amended to strengthen operational controls. (2) The archiving of closed cases was reinforced and incorporated into self-assessments to ensure the effectiveness of internal controls. (3) Relevant procedues were reiterated and a new daily check mechanism was established (4) Relevant procedues were reiterated.	Completed
2. The 2023 FSC full-scope examination of Taiwan Life found the deficiencies listed below. An administrative fine of NT$3.7 million was imposed on Sept. 12, 2025.		Completed

Issue for improvement	Corrective actions	Target completion date
(1) Use of non-dedicated personnel to conduct field interviews for senior policyholders, in violation of regulations. (2) Failure to protect the rights of policyholders with discontinued products during declared interest rate adjustments for interest-sensitive products. (3) Inadequacies in the presentation sessions for foreign currency-denominated investment-linked insurance products held between 2017 and 2018. (4) Failure to retain supporting evidence for product training provided to sales personnel, and failure to implement previously submitted remediation measures. (5) Unauthorized access to company computers by a suspended manager, indicating deficiencies in system access control management. (6) Deficiencies in data processing operations.	(1) New system functions were added to alert underwriting personnel to assign dedicated inspectors for field interviews, and enhanced audit trails were retained. (2) Relevant operational controls were amended to strengthen the disclosure of references used for declared interest rate adjustments. (3) Product presentation materials were updated to include notices indicating that the documents were reviewed and approved by securities investment trust companies. (4) Procedues were amended to enhance controls, and sales personnel's regulatory compliance awareness was strengthened. (5) The system access control management procedues were amended. (6) Procedues were amended to strengthen operational controls, and system functions were optimized.	
3. The 2024 FSC limited-scope examination of Taiwan Life's implementation of consumer	Payments were made or refunded to affected policyholders, and internal procedures were amended to	Completed

Issue for improvement	Corrective actions	Target completion date
protection operations found the deficiencies listed below. An administrative fine of NT$1.2 million was imposed on Oct. 3, 2025. (1)Failure to pay post-hospitalization recovery benefits, surgery recovery benefits, or no-claim bonus benefits in accordance with the policy terms. (2) Over-collection of premiums for policies that should have been terminated upon the occurrence of major illness. (3) Failure to refund over-collected renewal premiums during claims settlement when the premium deduction date occurred prior to the payment of major illness benefits.	strengthen operational controls and optimize system functions.	
4. The FSC found that Taiwan Life mistakenly sent policy inquiry data to unrelated insurance brokers or agents. An administrative fine of NT$20,000 was imposed and a term of one month was granted to rectify the deficiency on Dec. 12, 2025.	System control functions were optimized.	Completed

THREE. Capital Overview

I. Dividend Policy and Implementation Status

(I) Dividend policy

The Company's dividend policy is specified in Article 38-1 of the Articles of Incorporation: "The Company is a subsidiary of CTBC Financial Holding Co., Ltd., and the distribution of dividends to ordinary shareholders shall primarily be in cash in response to the parent company's requirements on working capital, while maintaining the Company's capital adequacy ratio at a reasonable standard. The Company maintains a stable and balanced dividend policy for dividends distributed each year. The dividend policy in the preceding paragraph is only a principle, and the Company may determine the most suitable dividend policy based on its actual operations in the current year and budget plans for the following year. The Company, after having paid all taxes and completed the accounting adjustments for the fiscal year according to the financial accounting standards, shall first make up the deficit for previous years, and then allocate 20% as a legal reserve. However, this is not required if the amount of legal reserve has reached the Company's total capital. After the Company allocates the legal surplus reserve as is required by law, it shall allocate or reverse the special surplus reserve as is required by law. The Board of Directors shall prepare the dividend distribution proposal for the remaining amount along with undistributed earnings at the end of the period and submit the proposal to the shareholders' meeting for approval."

(II) Execution:

As of the date of report, the 2025 dividend distribution proposal had not been approved by the Board of Directors and by the Board of Directors on behalf of the shareholders' meeting.

(III) Expected material changes: None.

II. Effect of the Proposed Stock Dividends (To Be Adopted by the Shareholders' Meeting in 2026) on the Company's Operating Performance and Earnings per Share

Not applicable because the Company has not disclosed complete financial forecasts for 2026.

III. Remuneration to Employees, Directors and Supervisors

(I) Percentage or scope of remuneration to employees, directors and supervisors provided in Company's Articles of Incorporation

Article 38 of the Company's Articles of Incorporation: "If the Company has a profit, it shall allocate 0.05% as employee bonuses. However, if the Company has any accumulated losses, these losses shall be made up first." The Articles of Incorporation do not stipulate any percentage or range for director's and supervisor's remuneration.

(II) Basis for estimating the amount of remuneration of employees, directors and supervisors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period.

Pursuant to the Company's Articles of Association, if the Company has a profit, it shall allocate 0.05% as employee bonuses. However, a sum shall be set aside in advance to pay down any outstanding cumulative losses. Employee bonuses are estimated based on the amount of net income before tax and before deducting employee bonuses, multiplied by the percentage to be distributed as employee bonuses specified in the Articles of Incorporation, and are recognized as operating expenses. Related information is available on the Market Observation Post System. If there is a discrepancy in the actual amount distributed and the amount estimated, it will be handled as a change in accounting estimates, and the effect of the change will be recognized as income or loss in the following year.

(III) Distribution of remuneration passed by the Board of Directors

The Board of Directors, acting on behalf of the shareholders' meeting, adopted the resolution on March 30, 2026 to distribute NT$9,944,205 in employee remuneration for 2025, of which NT$0 was distributed in stock. Remuneration of directors is NT$0. There was a discrepancy of NT$4,970 compared to the estimated amount, due to the difference between the amount of net income before tax that was audited and in the final accounts. The difference was recognized as income (losses) for 2026.

(IV) Actual distribution of employee bonuses and remuneration of directors and supervisors in the previous year (including dividend shares, amount and stock price), discrepancies, if any, from the amount of employee bonuses and directors and supervisors' remuneration previously recognized, and the causes and treatments for the discrepancies

The Board of Directors adopted the resolution to distribute NT$11,801,437 in employee remuneration for 2024, NT$0 of which were distributed as shares, on behalf of the shareholders' meeting on March 28, 2025. Remuneration of directors is NT$0. There was a discrepancy of NT$19,878 compared to the estimate, due to the difference between the amount of net income before tax that was audited and in the final accounts. The difference was recognized as income (losses) for 2025.

FOUR. Business Overview

I. Business Activities

(I) Business scope

1. Major business activities

   Taiwan Life Insurance is engaged in the sales of life insurance policies and related products. Through specific underwriting processes, the Company sells insurance products to proposers through bancassurance, agents, brokers, and the Internet.

2. Revenue breakdown

Unit: NTD million

Item	Premium income in 2025	Percentage (%)
Life insurance	134,529	76.64
Health insurance	23,735	13.52
Annuity insurance	14,861	8.47
Accident insurance	2,406	1.37
Total premium income	175,531	100.00

(II) Industry overview

The US Federal Reserve began cutting interest rates in September 2024, and further cut interest rates by 50 basis points in September and October of 2025. This led the interest rate market into a rate-cutting cycle, and allowed insurance products to recover and become competitive with other wealth management financial products. In consideration of customer needs for both financial management and insurance products, sales of foreign-currency denominated wealth management and investment-linked products are expected to gradually recover and grow as the economy stabilizes.

With advancements in medical technology and rising health awareness, average life expectancy in Taiwan has grown, leading to a rapid increase in the elderly population for Taiwan. With the elderly making up a continuously increasing share of the population, Taiwan will become a super-aged society in 2025 as the elderly population share exceeds 20%. This has led to increased domestic demand for insurance protection and retirement planning, with demand for long-term care insurance, medical care insurance, and retirement planning annuity insurance products expected to continue growing in the future.

With the development of AI technology, the application of digital technologies for use in insurance has become an important development focus for insurance companies. The competent authorities have also relaxed regulations to encourage cross-industry collaborations between insurance and FinTech companies, creating more service scenarios, customer touchpoints, and further increasing insurance product sales. Additionally, life insurance companies have also actively looked for potential cross-industry collaboration opportunities, building a health management and elderly care service ecosystem able to provide more extended insurance services. This ecosystem is able to increase customer interaction and improve customer stickiness, which is expected to increase insurance sales.

(III) Overview of Technology and R&D

1. R&D progress, outcomes, and future outlooks

(1) Taiwan Life Insurance possesses innovative product development capabilities, and has specially focused on developing new products to meet customer demand and address social trends. We offer a comprehensive range of products, and have been the first in the industry to launch numerous pioneering products, such as the: Gu-Dong-Yi-Sheng Term Health insurance policy, the first policy in the industry to combine spillover-effect mechanisms for specific physical therapy treatments with dedicated insurance coverage for musculoskeletal and neurosurgical surgical procedures; and the industry's first hybrid reimbursement fixed-benefit policy, a new type of cancer insurance policy. The policy pays out benefits for precision medicine genetic testing and targeted therapy treatment methods, providing new options for cancer insurance protection.

(2) Taiwan Life Insurance has adopted an "insurance + service" model to meet customers' needs and gain a competitive advantage, and has led the industry by establishing CTBC Lohas, a subsidiary providing health and elderly care services. The Company also pioneered the Taiwan Life Wellness Concierge platform to provide customers with one-stop services covering disease prevention, medical care, and rehabilitation support.

(3) Through a customer centric approach, and by digitally integrating sales and services, we have enhanced operational efficiency and our customer experience through automation and smart systems. For example: We pioneered the Smart AI Verification of Elderly Voice Recordings system to verify the responses provided by customers online in real-time, improving the success rate of recordings.

(4) Continued to improve our base infrastructure, promoting an IT transition while also building a New Core System, such as: Adopting AI applications to support development, testing, and maintenance, and advancing projects such as user acceptance testing and parallel testing for the New Core System.

(5) Won 67 major awards in 2025 across various fields as our brand influence continues to rise. The Company has also held the title of "Best Life Insurance Brand, Taiwan" by Global Brands Magazine for eight consecutive years. We have also obtained multiple patents in Taiwan, accumulating a total of 34 patents as of 2025.

2. Future research and development plan

(1) Continue developing and designing medical technology, health promotion, elderly needs, and wealth management products to meet customer demand.
(2) Provide products and services that meet customer demand, and more closely integrate insurance products and services through the CTBC Lohas subsidiary and an external cross-industry collaboration business model. Continue to optimize the Taiwan Life Wellness Concierge platform to provide services that meet customer demand for health, retirement, and wealth management services.
(3) Continue to adopt automation and smart technologies to improve the customer experience, optimize operational efficiency, and manage risks.
(4) Successfully complete and launch the New Core System, deepen the information framework, establish a scalable high-efficiency platform, build an enterprise-level data platform, and integrate AI technologies and big data analysis to drive business innovation and precision marketing using data.

(IV) Long- and short-term business development plans

1. Short-term business development plans

(1) Continue to expand the quality and quantity of new contracts sold, and strengthen the Company's long-term fundamental profit base:
Continue focusing on developing products and services that meet customer needs through a customer-centric approach, improve sales of foreign currency and insurance products, and strengthen the Company's long-term fundamental profit base.
A. Products: Offer a wider variety of products and develop innovative new products to increase sales of new contracts.
B. Sales channels: For our own distribution channels, we shall continue to improve sales agent productivity and expand our sales team.
C. Services: Create differentiated services for high-net-worth customers and customers with health and retirement needs. Taking advantage of the establishment of the Kaohsiung Asian Asset Management Center, look to target high-net-worth customers, expand our premium financing operations, and improve service quality to meet the diverse needs of our customers. Additionally, continue to develop a health and retirement ecosystem, expand the services offered by our one-stop service integration platform, and plan institutional retirement care projects in order to satisfy the retirement needs of our customers and further enhance insurance sales and mortality savings.
(2) Optimize asset-liability management, expand the scope of our investment portfolio, and enhance our investment operations and capabilities:
A. Fixed income assets: Increase recurring revenue through increasing investment allocation into US bonds, and take advantage of interest rate cutting cycles to

increase capital gains through swing trading.

B. Equity assets: Continue to strengthen core holdings in listed and OTC companies, expand and enhance investments into foreign private equity funds, continue to develop and expand investment into domestic projects in line with government policies.

C. Foreign exchange: Dynamically adjust risk hedging ratio and hedging duration based on market conditions, and bolster foreign exchange reserves.

D. Real estate: Continue to increase the number of new high-return projects and revitalize existing assets, strengthen core construction management capabilities and improve operational management efficiency.

(3) Strengthen infrastructure construction and improve customer experience and operational efficiency through automation and adopting smart systems:

A. Customer service:

a. Automation: Optimize the system's rule engine and auto-closure function to increase the auto-approval rate.

b. Smartification: Use digital tools to create virtual assistants able to help support underwriting, claims, and other procedures.

c. Earn more customer recommendations: Continue collecting the Voice of the Customer (VOC) to improve the quality and efficiency of policy service processes and create the best customer experience.

B. Information:

a. Continue perfecting the information framework transition, creating a middle-end data and smart services platform to comprehensively support digital operations.

b. Complete implementation of the New Core System, optimize customer service efficiency, accelerate support for new businesses, and ensure uninterrupted services and customer rights protection.

(4) Continue adhering to the sustainability strategy of our parent company CTBC Holding, and continue promoting the dual pillars for ESG development:

A. Low-carbon leadership and sustainable development: In response to potential climate change risks and opportunities, continue reviewing and evaluating our investment financing allocations and plans. Reduce carbon emissions derived from our investment and financing portfolio through a climate risk quota adjustment mechanism. Additionally, continue supporting green industries and investing financial resources to support our investees in conducting sustainability transitions through engagement, improving their operational resilience.

B. Empowerment for common good and value creation: Continue improving our corporate sustainability knowledge, developing sustainable insurance products and services, and adhering to fair customer treatment principles. We have focused on health promotion, active aging, and caring for the disadvantaged, and have integrated these efforts with our sales channel operations, customer services, and industry-academia collaborations to implement inclusive finance and exert our influence to create value.

(5) Apart from complying with the regulations published by the competent authorities, our risk governance objectives include implementing the Company's operational strategy objectives and the risk appetites approved by the Board of Directors, monitoring the risks and risk concentration of our various business operations, adopting appropriate risk management procedures, conducting quantitative and qualitative risk assessments, and supporting the Company's various risk-based decision-making and management mechanisms. Through these objectives, the Company looks to build prudent and sound risk governance capabilities.

2. Long-term business development plans

Continue to strengthen our fundamental profit base, and become the most robust insurance company recommended by customers:

(1) Continue to strengthen fundamental profit base, and grow the Company's long-term profits.

A. Continue to expand sales of value-based products (protection and foreign currency products), and continue to sell investment-linked products in order to enhance our fundamental profit base and increase capital.

B. Create advantages by offering differentiated products and services, continue developing medical technology, health promotion, elderly needs, and wealth management products able to meet the needs of our customers. Through the CTBC Lohas subsidiary and an external collaboration business model, look to satisfy customer health, retirement, and wealth management needs, and create more closely integrated products and services in order to provide customers with a comprehensive package of services, increasing premiums and sales.

C. Optimize asset-liability management, expand the scope of our investment portfolio, and enhance our investment operations and capabilities, in order to continuously improve investment returns.

(2) Continue improving infrastructure to offer the best possible customer experience across the entire customer journey, and to facilitate an IT transformation while launching the complete New Core System, creating optimal operational efficiency.

A. Continue to be customer centric, manage customer experience for each customer touchpoint, and continue optimizing service quality and efficiency based on customer feedback.

B. Continue expanding the use of digital tools and incorporating smart technology elements to strengthen underwriting and claims risk management. Continue improving the customer experience and operational efficiency through adopting new technologies and AI applications.

C. Continue to deepen the information framework transition, build a scalable high-performance digital platform, and ensure that IT development becomes the core driving force behind business growth, supporting rapid market expansion and operational stability.

D. Build an enterprise-level data platform able to integrate AI technologies and big data analysis to drive business innovation and precision marketing using data.

(3) Continue promoting the dual pillars for ESG development:

A. In order to achieve the Group’s 2050 net zero emissions targets, and pursuant to the science-based targets (SBT) set by the Holding Company, commit to backing out of investments into high carbon emitting industries, lowering the environmental impact of our investments, and exerting and expanding our influence as an institutional investor.

B. In line with the United Nations Sustainable Development Goals (SDGs), and after observing customer demand, Taiwan Life Insurance has continued to promote and develop sustainable insurance products and services or low-carbon products. This has enabled us to make greater contributions to sustainable financial services and products, showcasing our determination to uphold a long-term commitment to sustainability.

(4) Continue to strengthen the link between risk and solvency assessment mechanisms and business goals, investment and business plans, and capital and risk management. Conduct risk analyses which take into consideration our business strategy, investment and business plans, and external market conditions, in order to improve management of our risk appetite.

II. Market Analysis

(I) Sales and provision areas of major products and services: Taiwan.

(II) Market share, future supply and demand and market growth

1. Market share

In 2025, the Company's market share of the First-Year-Premium market was 7.5%.

2. Supply side

There are 21 life insurance companies in the domestic market. In the first half of 2025, the US tariffs and volatile Taiwan dollar exchange rate led to instability in both the domestic and international economic markets. However, the investment market has since gradually recovered as the results of tariff negotiations between the US and other countries become finalized. The US Federal Reserve also cut interest rates in September 2024, and further reduced interest rates by an additional 50 basis points in September and October 2025 as the interest rate market entered a rate-cutting cycle. The competitiveness of insurance products have recovered compared to other wealth management and financial products, driving growth in new contract premiums. Overall, life insurance products remain an important financial product for meeting the wealth management and insurance protection needs of customers. Additionally, in order to smoothly transition into adopting new international accounting and supervisory standards in 2026, life insurance companies have continued to focus mainly on selling foreign currency and protection products as their traditional product offerings. Meanwhile, investment-linked products able to meet both the wealth management and insurance protection needs of customers are the main products being pushed by insurance companies, in order to enhance their profit stability.

For the traditional products offered, life insurance companies flexibly adjust their declared interest rates based on investment market conditions and the wealth management needs of customers. Companies have also launched products with dividend mechanisms, in order to maintain product competitiveness. Additionally, the establishment of the Kaohsiung Asian Asset Management Center and looser government regulations have encouraged companies to develop new products and services in order to comprehensively meet the wealth management and inheritance needs of high-net-worth customers. Meanwhile, companies have also began to launch increasingly more investment-linked products in order to seize market share, following the outstanding performance of the investment market in 2025. For protection products, in response to the aging society and advancements in medical technology leading to higher medical costs and a growing number of out-of-pocket medical care items, insurance companies have launched new protection products able to satisfy the needs of customers in line with market demand.

The domestic life insurance market is highly competitive, and the low levels of differentiation between products often lead to product price competition. Insurance is also a financial product with relatively low customer contact frequency. Therefore, insurance companies have capitalized on the rise in health awareness domestically and the attention brought about by the establishment of the Asian Asset Management Center to begin integrating insurance products with value-added health services through a focus on both health and wealth management. Companies have begun to build a cross-industry ecosystem and create differentiated business characteristics in order to improve customer contact frequency and customer stickiness, further increasing insurance product sales.

3. Demand side

In 2025, new contract premiums collected across the overall life insurance industry totaled NT$1,007.4 billion, an increase of 20% compared to the same period in 2024. In particular, traditional insurance products grew by 16%, while investment-linked products grew by 24%.

Statistics from the Executive Yuan Directorate-General of Budget, Accounting and Statistics show that Taiwan's household savings rate in 2024 was 24%, maintaining a savings rate above 20% for almost 10 years. This indicates that the concept of accumulating savings and financial management is deeply rooted in the Taiwanese people. Taiwan dollar wealth management insurance products continue to be one of the financial tools which customers use for managing wealth. In recent years, investment into foreign currency investment-linked insurance products has been affected by factors such as rising US interest rates and exchange rate fluctuations, and investment has instead shifted to other wealth management tools tied to rising interest rates. This has affected demand for foreign currency wealth management products in the short term. However, as the US Federal Reserve cuts interest rates in both 2024 and 2025, foreign currency wealth management insurance products have once again become competitive with other wealth management tools. Demand from policyholders for insurance products that can be used as a stable wealth management tool has also gradually grew. Additionally, with the establishment of the Kaohsiung Asian Asset Management Center, the family wealth succession and wealth preservation needs of high-net-worth customers have received greater attention. Regulations on insurance companies engaging in new business operations, such as those on premium financing, have also been relaxed, providing customers with more flexibility in how their funds can be utilized. Additionally, investment-linked products have benefited from the continued stock market boom. These products allow customers to invest in professionally-managed assets, dividend-paying funds, or assets with fixed benefits (such as guaranteed minimum death benefit (GMDB) products), providing customers with both investment benefits and insurance protection. These products have therefore continued to be popular with customers.

In 2026, the elderly population is estimated to reach 21% of the overall population. As the number of retirees gradually increase, this has led to a retirement wave where people are planning for retirement more in advance, increasing demand for retirement funding. At the same time, the declining birth rate has also resulted in the old-age dependency ratio being expected to exceed 31% in 2026, increasing the burden on younger family members to support the elderly. Demand for elderly care and retirement needs have grown alongside these trends, which have also boosted sales of self-benefit insurance policies. In addition, the number of out-of-pocket medical treatment options has increased alongside advances in medical technology, leading to higher medical expenditures. As issues related to aging and health grow, the public not only require insurance products to provide compensation when damages occur, but also expect insurance products to be integrated with and provide more extended services that can help promote self-health management, maintain personal health, recover from health issues, and provide elderly care.

4. Market growth

The US Federal Reserve began cutting interest rates in September 2024, and further cut interest rates by 50 basis points in September and October of 2025. This led the interest rate market into a rate-cutting cycle, and allowed insurance products to recover and become competitive with other wealth management financial products. In consideration of customer needs for both financial management and insurance products, sales of foreign-currency denominated wealth management and investment-linked products are expected to gradually recover and grow as the economy stabilizes.

With advancements in medical technology and rising health awareness, average life expectancy in Taiwan has grown, leading to a rapid increase in the elderly population for Taiwan. With the elderly making up a continuously increasing share of the population, Taiwan will become a super-aged society in 2025 as the elderly population share exceeds 20%. This has led to increased domestic demand for insurance protection and retirement planning, with demand for long-term care insurance, medical care insurance, and retirement planning annuity insurance products expected to continue growing in the future.

With the development of AI technology, the application of digital technologies for use in insurance has become an important development focus for insurance companies. The competent authorities have also relaxed regulations to encourage cross-industry collaborations between insurance and FinTech companies, creating more service scenarios, customer touchpoints, and further increasing insurance product sales. Additionally, life insurance companies have also actively looked for potential cross-industry collaboration opportunities, building a health management and elderly care service ecosystem able to provide more extended insurance services. This ecosystem is able to increase customer interaction and improve customer stickiness, which is expected to increase insurance sales.

(III) Competitive niche, favorable and adverse factors for long-term growth and response strategy

1. Competitive niche

CTBC Holding has upheld the brand spirit of “We are Family” through its many years of providing financial services. The holding company is also a pioneer in the development of digital finance in Taiwan, and has proactively developed innovative digital financial services. Taiwan Life Insurance has combined the Group's digital development advantages to continue implementing a digital transition, in order to improve customer experience and operational efficiency. In response to the establishment of the Kaohsiung Asian Asset Management Center, Taiwan Life

Insurance has continued to develop new product types targeted to meet the needs of high-net-worth customers. We have expanded into new business operations such as premium financing in order to satisfy demand from high-net-worth customers for insurance and wealth management products, and leveraged the Group's synergies by taking advantage of sales channels through CTBC Bank.

With regard to the future adoption of IFRS 17 and the new Taiwan Insurance Solvency (TIS) standard in 2026, Taiwan Life Insurance has a more robust operational structure compared to our peers. We also have a higher proportion of interest-sensitive and foreign currency products, which helps us better maintain interest rate spreads and decrease the impact of transition.

Taiwan Life Insurance possesses innovative product development capabilities, and continues to develop new products based on observed customer needs and social trends. We offer a comprehensive product portfolio able to meet customer needs, have maintained our lead in the industry in terms of bancassurance sales volume.

Through our "insurance + service" model, Taiwan Life Insurance has developed health and retirement services and led the industry in establishing the CTBC Lohas subsidiary. We plan to build an integrated health and retirement services platform, creating a one-stop platform able to provide a complete package of integrated services, which enables us to continue offering a rich variety of services from different vendors.

Apart from protecting our customers through protection products, we also award loyalty points that customers can exchange for health services, further satisfying the health and retirement needs of policyholders.

2. Favorable factors

(1) Taiwan shall adopt IFRS 17 and the new Taiwan Insurance Solvency standard in 2026, guiding life insurance companies to return to insurance protection products. This shall benefit life insurance companies in the accumulation of long-term value.
(2) Additionally, in order to reduce the impact of transitioning to the new Taiwan Insurance Solvency standard, the competent authorities have announced transitional measures which lower the capital requirements that companies need to meet under these new standards. This has reduced investor concerns about the capital requirements for the insurance industry.
(3) In September 2024, the competent authorities announced a new standard for foreign exchange valuation reserves, and in June 2025 announced the interim measures for adjusting the policy reserve provisioning basis, helping to provide life insurance companies with greater operational flexibility in their hedging strategies in order to strengthen capital levels and better respond to exchange rate fluctuations.
(4) The US Federal Reserve had announced interest rate cuts for September and October 2025, leading the interest rate market into a rate-cutting cycle and allowing foreign currency wealth management insurance products to recover and become more

competitive compared to other wealth management financial products. This has increased customer willingness to purchase these products. Life insurance companies are also better able to reduce foreign exchange risk and maintain positive interest rate spreads by selling foreign currency products, compared to products denominated in Taiwan dollars.

(5) Due to factors such as Taiwan's aging society, and advances in medical technology, the Taiwanese public have begun to take their insurance needs more seriously, benefiting healthcare insurance, health promotion, and retirement planning products. Additionally, the competent authority has issued an interpretative ruling in October 2025 which expanded the range of insurance-related businesses activities that insurance companies may invest into. This has allowed life insurance companies to engage in cross-industry collaborations or expand investment into insurance-related business activities in order to offer extended health and elderly care services to satisfy diverse customer needs.

(6) AI technology trends and development have led to greater public acceptance of digital technology applications. Alongside the competent authorities also announcing the relaxing of restrictions on cross-industry collaboration scope, this has encouraged insurance companies and companies with financial technology expertise to develop new business models for collaborating with companies in other industries, helping life insurance providers increase customer touchpoints, increase interaction frequency and customer stickiness, and accumulate customer data in order to increase insurance sales opportunities.

3. Unfavorable factors

(1) The adoption of the IFRS 17 and new Taiwan Insurance Solvency standards will lead to increased volatility in the net asset value of life insurance companies. This will pose challenges to the asset-liability management mechanisms, capital requirements, and balance of asset allocations for life insurance companies.

(2) The US Federal Reserve has entered a rate-cutting cycle, but the decline in long-term US treasury yields has been relatively limited. In recent years, the stock market has remained at historic highs due to the influence of AI developments, making it difficult to maintain a high level of capital gains. Additionally, the Taiwan dollar is under potential appreciation pressure due to the US interest rate cuts, making it challenging to increase investment returns.

(3) The life insurance market is still largely dominated by wealth management products, and fierce market competition may lead to declines in profit margins for each policy. Furthermore, due to the adoption of the IFRS17 standards in 2026, life insurance companies will be required to disclose their contractual service margin (CSM), and market competition will expand to include high-profit products (such as protection products), leading to fiercer competition.

(4) With the advancement of medical technology, increases to the number of out-of-pocket national health insurance items, and the rise of consumer medical awareness, the claims rate of existing products has increased, putting the underwriting and claims risk management capabilities of life insurance companies to the test, while also testing their ability to appropriately price new products.

4. Response measures

(1) Focus on sales of new value-based insurance contracts in order to strengthen the Company's long-term fundamental profit base.
(2) Provide product and service integrations able to meet customer demand, creating differentiated advantages in insurance provision.
(3) Evaluate risk capital and rates of return based on changes to the investment market environment, dynamically adjusting asset allocation and hedging strategies.
(4) Improve infrastructure, continue to adopt automation and smart technologies to improve the customer experience, optimize operational efficiency, and manage risk.

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