

Introduction

Trustworthy Integrity, Realistic Stability, and Sustainable Operation

Core Values

Professionalism, Foresight, Innovation, Accountability, and Enthusiasm

Mission

To provide comprehensive professional insurance service, secure the safety of people's life and property, and fulfill corporate social responsibility

Brief History

The Company was incorporated in 1963 and officially commenced operation on May 1st of the same year. It is now headquartered in Taipei with 8 branches (including Offshore Insurance Unit), 31 liaison offices, and a representative office in Shenzhen, China.

In order to strengthen the company structure, promote management efficacy and share our achievement with the general public, the Company's shares were made available for public offering in 1991. The Company was listed in the Taiwan Stock Exchange in 1999. By way of share swap, the Company became a wholly owned subsidiary of Hua Nan Financial Holdings as from August 15th 2003 with a fully paid authorized capital of NTD 2,001,386,250.

Management Philosophy

The Company, built on the keystone of 'Integrity, Honesty, Sincerity, Fairness and Diligence', provides cordial and sincere services with Professionalism, Innovation and Efficiency. In the era of digital technology, we embrace digital technology with 'foresight thinking and vigorous initiative', innovate products and services, strive for excellence continuously, make efforts towards the new vision of 'embracing digital development and becoming the happiness enterprise preferred by both customers and employees', and promote the new core values of 'professionalism, foresight, innovation, accountability, and enthusiasm'.

Classes of Business

Principal lines of insurance written include Fire, Marine Cargo, Automobile, Engineering, Bond, Liability & Miscellaneous, Personal Accident, and Health.

Honors & Credit Ratings

- Rated 'twAA both in Financial Strength and Issuer Credit, with a Stable Outlook' by Taiwan Ratings.
- Rated 'Financial Strength A and Issuer Credit a, with a Stable Outlook' by A.M. Best.

Corporate Social Responsibility

The Company actively participates in charity activities, especially devoted to the problem of the children lack of educational resources in remote villages and tribes. With the spirit of 'give back to the society', we will constantly care for the disadvantaged groups to fulfill our social responsibility.

1. Sponsoring high-grade nonprofit organizations of social welfare, promoting charitable activities for public good, and supporting the disadvantaged groups.
2. Sponsoring and taking part in academic seminars on insurance in various colleges and universities.
3. Advancing the project of 'Love Overflows' and further encouraging our fellow workers' active participation in various charitable events through a series of elaborate activity designs.
4. Actively responding to and encouraging the public to take part in the charitable activities of blood donation, based upon the spirit of philanthropy and helping others.

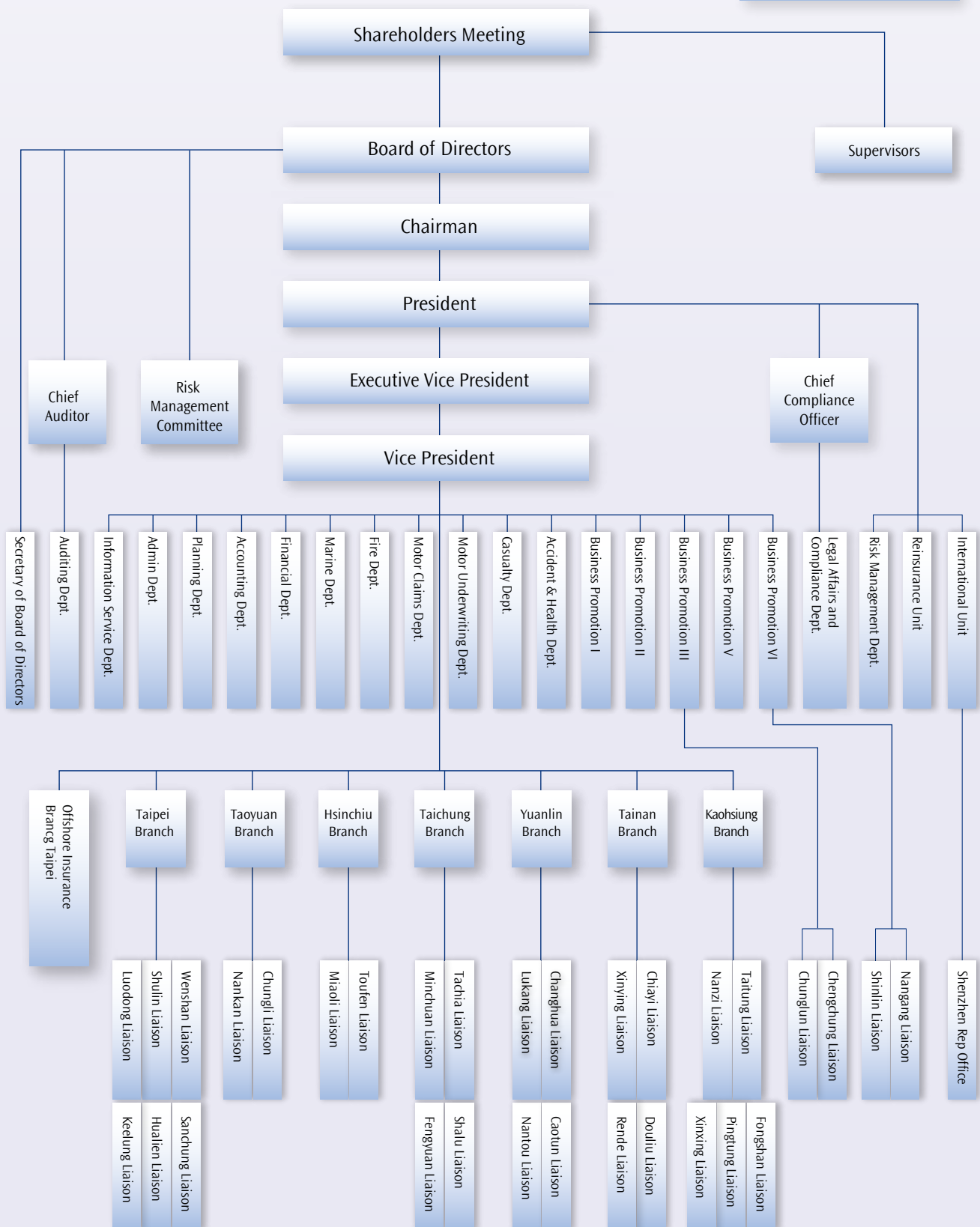
Activities for Employees

To enhance staff morale and build team cohesion, the Company holds a number of group activities for employees every year such as year-end banquets, Chinese New Year's group greetings, and Company tours for the staffs. In addition, for the sake of physical and mental relaxation outside of work, the Company strongly encourages its employees to establish various recreational clubs.

Organization Chart



Subsidiaries of Hua Nan Financial Holdings, Ltd



Operation Report

Shining Performance, Reaching New Heights

Looking back on the situations of our domestic economic development in 2017, driven by the steady growth of the global economy, the country's annual economic growth rate was higher than 2016. Also, according to the statistical data released by Ministry of Finance, the import-export trades of 2017 both appeared growth from the previous year, bringing up more business opportunities.

As for property & casualty insurance in domestic market during 2017, total written premium reached NTD 155,982 million, a growth of 7.44% compared to NTD 145,178 million in 2016. In general, the performances of auto, fire, casualty, and personal accident & health insurances have improved compared with 2016, and especially fire insurance registered the best growth rate of 10.4%. On the other hand, marine insurance maintained negative growth due to the competition of market premium rates. The overall industry development in the future, however, can still be given cautiously optimistic expectations.

Operation Report of 2017

1. Performance

During 2017, the Company posted a total written premium of NTD 8,606 million, representing 103.07% of budgeted target and a growth of 2.72% compared to last year. Among them, auto premium grew by 2.59%, a total of NTD 5,329 million; fire premium grew by 1.66%, posting a total of NTD 1,415 million; marine premium declined by 5.37%, a total of NTD 533 million; engineering, casualty & miscellaneous grew by 4.69%, standing at NTD 711 million; personal accident & health increased by 12.47%, reaching total of NTD 616 million; and inward reinsurance grew by 13.97%, a total of NTD 481 million.

In addition, gross claims during the period totaled NTD 4,924 million, accounting for 57.22% of total premium written. Among them, auto claims amount comes to a total of NTD 3,252 million, equivalent to 61.03% of total auto premium income; fire claims totaled NTD 718 million, or 50.74% of fire premium; marine claims totaled NTD 258 million, or 48.50% of marine premium; engineering, casualty & miscellaneous claims totaled NTD 336 million, or 47.26% of its premium; and personal accident & health claims totaled NTD 359 million, accounting for 58.21% of its premium income.

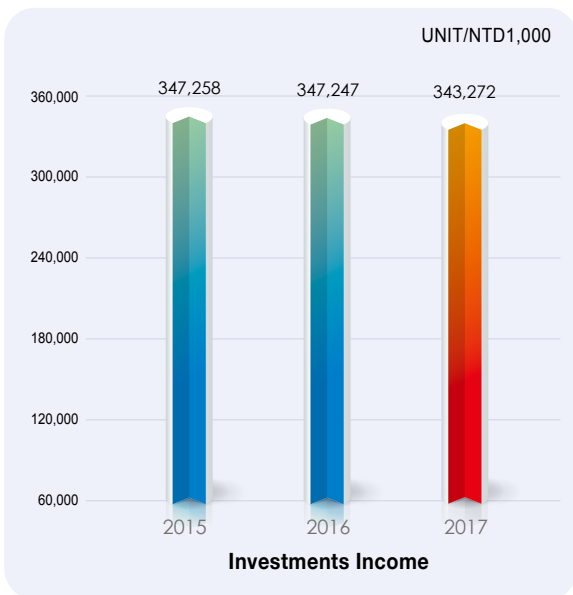
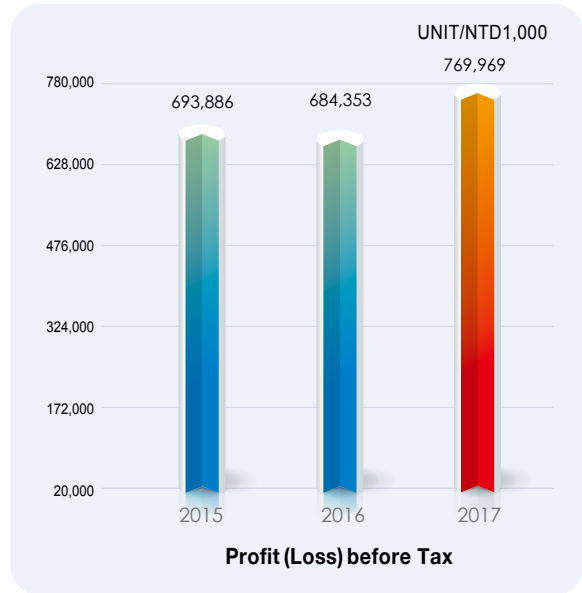
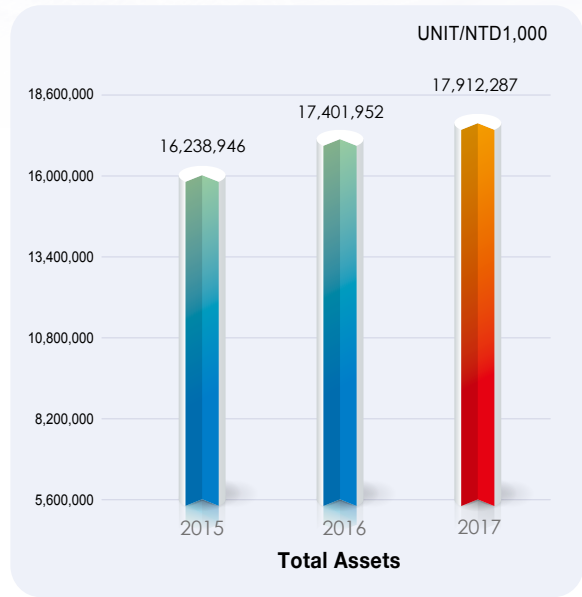
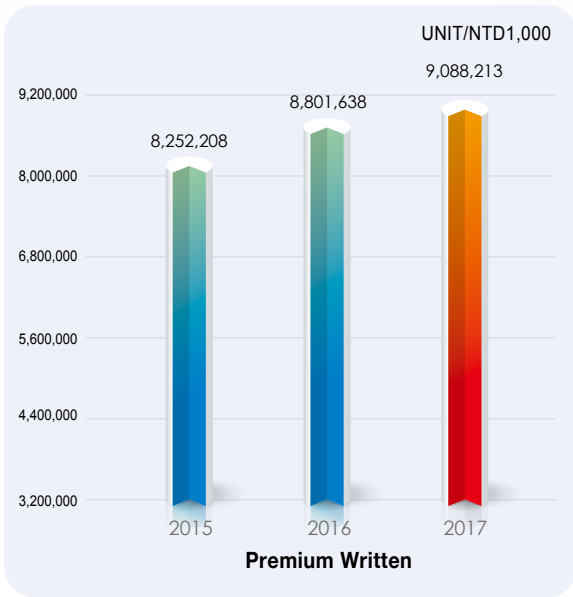
During the year under review, the Company's operation development made resounding achievements in the overall management and operational strategies, in terms of the efficacy of information management and the information security management mechanisms, the emphasis on legal compliance and risk management, the enhancement of anti-money laundering and combating terrorism financing, the implementation and consolidation of personal information management, the sound and flexible fund allocation, and the practice of corporate social responsibility. The total written premium of NTD 8.6 billion hit a record high, the Company's market ranking maintained top 7, and its profit per share (after tax) achieved NTD 3.35 in 2017, which proved a brilliant operational performance.

2. Profitability

During 2017, the Company's operating revenue totaled NTD 6,963 million, producing a profit of NTD 671 million, or NTD 3.35 per share, after tax. Returns on assets and shareholders' equity are 3.80% and 14.48% respectively.

Unit / NTD1,000

Financial Highlights	2015	2016	2017
Premium Written	8,252,208	8,801,638	9,088,213
Reserves	10,605,144	11,625,576	11,712,507
Investments Income	347,258	347,247	343,272
Total Assets	16,238,946	17,401,952	17,912,287
Profit (Loss) before Tax	693,886	684,353	769,969
Earnings per Share (NTD)	3.03	3.00	3.35



3. Research & Development

To meet the requirement of different market channels and clients' needs for product diversification, the Company constantly placed special emphasis on research and development of new products and innovative combination of promoting projects. During 2017, the Company had developed total 153 new products and already marketed 106 packaged products to meet the needs for business development and provide complete and professional services to the customers. Owing to our constant devotion to product innovation and social activities for public welfare, the Company has won the 'Faith-Hope-Love Awards' of The Best Professional and The Best Product Innovation presented by the Risk Management, Insurance & Finance Foundation for several consecutive years, also got honorable mention in "The Best Social Responsibility", and has acquired wide support and trust from our society.

In the aspect of risk management culture, the Company treats integration, delicacy and transparency as its DNA of core value, and employs the cooperative platform consisting of auditing, compliance and risk management units as the specific driving mechanism to improve the efficacy of corporate governance and risk management.

Upholding the highest guiding principle of steady operation, the Company's credit rating was rated by A.M. Best in 2017 "Financial Strength A, Issuer Credit a, and Rating Outlook Stable." The credit rating reflects our strong and healthy capital, great underwriting performance, a neutral business profile, and appropriate corporate risk management. In addition, the Company was rated "twAA with a Stable Outlook" by Taiwan Ratings in 2017. It showed a high appraisal for our strong and healthy capital level, a good ratio of sales channels, excellent capital flow, and proper risk management and control.

During 2017, thanks to our colleagues' efforts, the Company, in the spirit of business innovation, customer first, and efficiency-driven service, has accomplished steady and successful achievements which were recognized by all. Looking to the future, we will continue to take the improvement of operating efficacy as the highest principle of our business strategy, consistently seeking new changes in business and providing customers with a full range of services. We will also continue to expand information hardware equipment, enhance information integration and management efficacy, and fulfill corporate social responsibility. By all of this, we will steadily move forward and create great success.

Chairman **Chung Chuan Wu**

President **Kevin Tu**

Business Development

Steady Operation and Diversified Innovation

1. The Business Structure in 2017



2. Business Developments in Individual Units

Auto Insurance Solidifying Roots and Expanding Resources Steady Growth

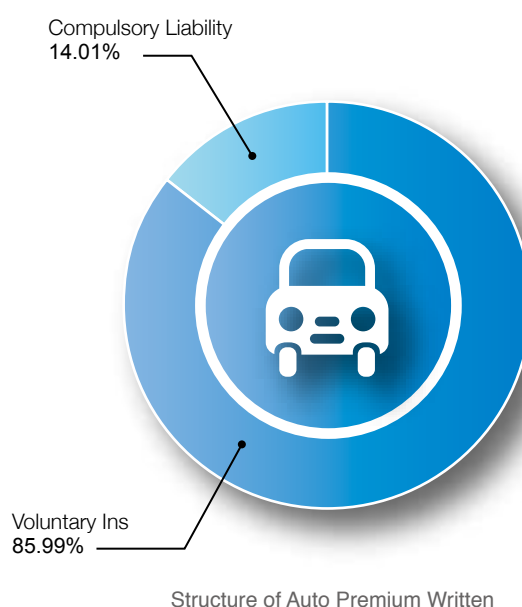
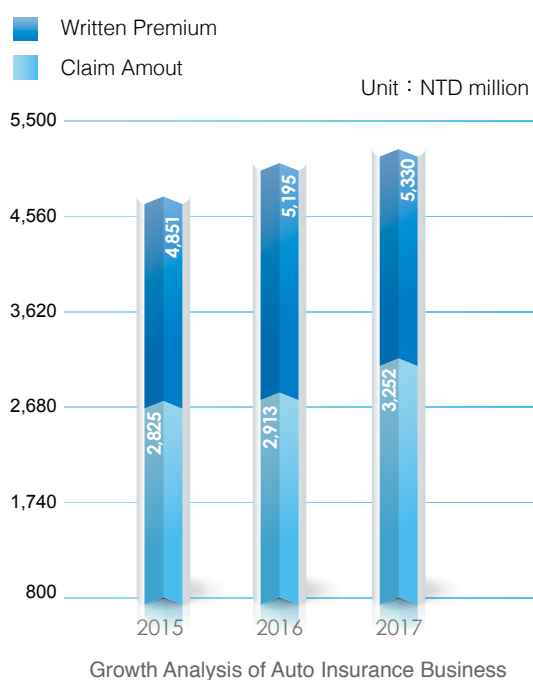
This year, premium written for auto insurance totaled NTD 5,329 million, an increase of 1.15% from 2016. The portfolio of Auto included voluntary insurance totaling NTD 4,582 and compulsory premium totaling NTD 746 million, which accounted for 85.99 and 14.01% respectively of Auto Business. The Company actively promoted the business development of new channels and the rise of renewal rate. As a result, the business performance of our auto insurance achieved a growth rate of 2.59%.

In anticipation of 2018, the Company will integrate channel resources and expand new business in market to increase business proportion and output value, also towards the consolidation of business channels. In the aspect of service, we will consistently enhance staff expertise, employ technology and system integration, and improve service efficiency and quality in order to increase the momentum of business growth and potential business opportunities.

Unit: NTD million

Growth Analysis of Auto Insurance Business	2015	2016	2017
Written Premium	4,851	5,195	5,330
Claim Amount	2,825	2,913	3,252

Structure of Auto Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Voluntary Ins	4,582,649	85.99%
Compulsory Liability	746,885	14.01%



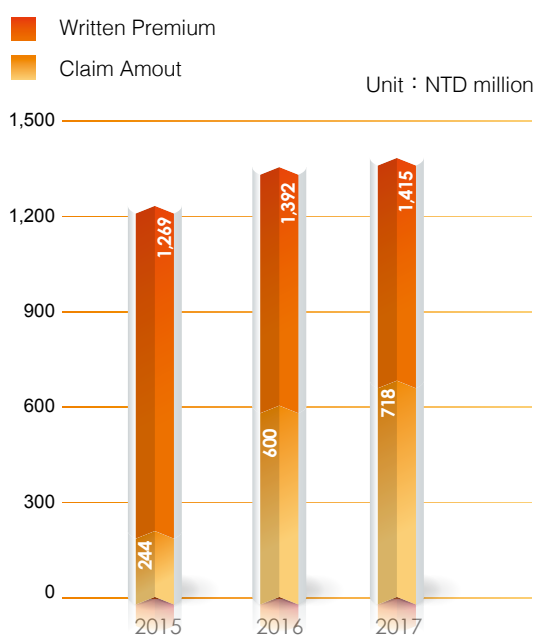
During 2017, the overall fire insurance market continued to grow due to the adjustment of the insurance periods for specific large-scale commercial fire cases. Our written premiums for fire insurance totaled \$1,415 million, showing a growth of 1.66% and a market share of 5.68% which comfortably maintained the 6th place in the market. In the aspect of underwriting performance, there was no major fire damage and natural disaster accident. We powerfully implemented the “Strengthening Health Project” to strictly control the quality of our business. Under the reasonable risk consideration, the loss rate was properly controlled. Our loss ratio of written premium was only 16.39%, the lowest within the past four years; and our underwriting profit reached \$258 million, the highest within the past four years.

For 2018, the Company’s fire insurance business will focus on the three core strategies: quality improvement, market share increase, and service improvement. Under the premise of ensuring business risk quality, we will actively aim to the expansion of market share. In addition, we will strengthen joint marketing resources within the Hua Nan Financial Holding Group, focus on large-scale target quality business, striving for the increase in the proportion of undertaking, and strengthen the business development of medium- and small-scale commercial fire insurance. Meanwhile, we will also deepen the Comprehensive Residential Insurance Project in coordination with Hua Nan Bank, expanding the comprehensive residential insurance business into other financial channels so as to improve the overall profit contribution further.

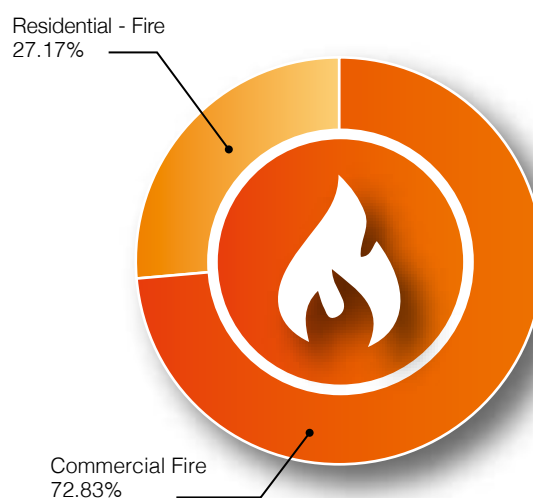
Unit: NTD million

Growth Analysis of Fire Insurance Business	2015	2016	2017
Written Premium	1,269	1,392	1,415
Claim Amount	244	600	718

Structure of Fire Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Commercial Fire	1,030,564	72.83%
Residential - Fire	384,500	27.17%



Growth Analysis of Fire Insurance Business



Structure of Fire Premium Written

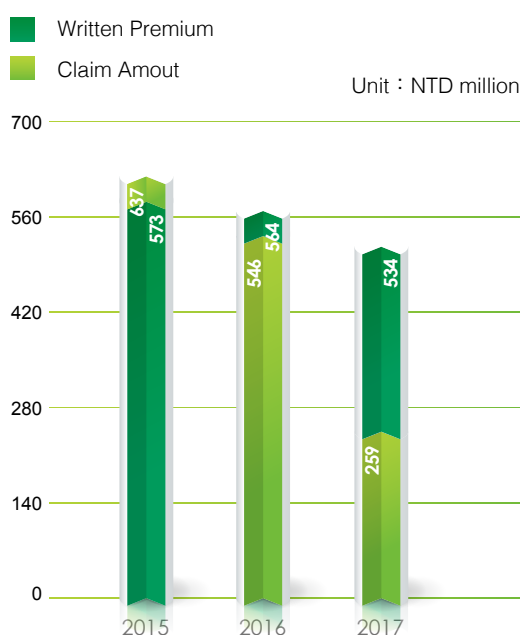
The Company's written premiums for marine insurance totaled NTD 533 million in 2017, ranking the 7th place in the market. The written premium for marine cargo reached NTD 360 million, displaying a growth of nearly 2% from the preceding year despite the fierce price competition in the industry. As for hull insurance, the written premiums reached NTD 128 million, showing a growth of about 19% from the previous year. In the aspect of aviation, due to several unfavorable factors including TransAsia Airways' withdrawal from the market and the reduction of premium rate, the written premium was NTD44 million, a decline of about 56% from the previous year.

Looking forward to 2018, the global economy is expected to continue its steady expansion despite some probable severe fluctuation. The government's efforts to promote industrial innovation, strengthen the industry of domestic demand, and support the development of local industry all contribute to increasing the economic growth momentum. Our Marine Insurance Department will devote itself to the provision of professional service, strengthen joint marketing activities with the entire Hua Nan Financial Holdings, and carefully select external insurance agency channels to expand our business scale. Upholding the business strategy of being "active and pragmatic, cautious and adaptable to changes", we will actively cooperate with sales team to visit customers, make efforts to develop new target customers, and cautiously face changes in the market.

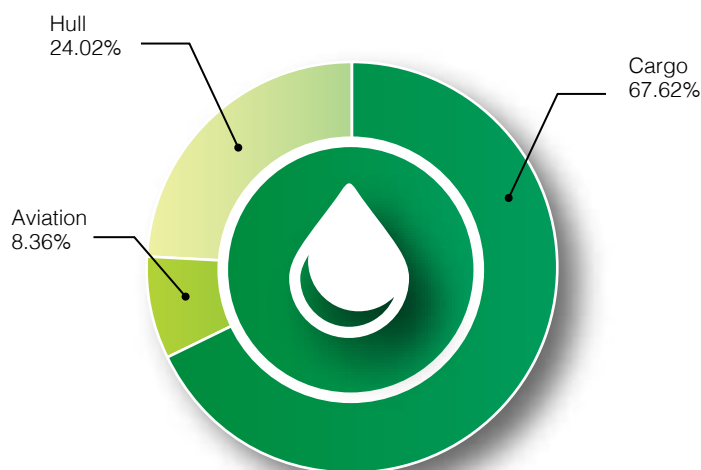
Unit: NTD million

Growth Analysis of Marine Insurance Business	2015	2016	2017
Written Premium	573	564	534
Claim Amount	637	546	259

Structure of Marine Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Cargo	360,978	67.62%
Hull	128,211	24.02%
Aviation	44,674	8.36%



Growth Analysis of Marine Insurance Business



Structure of Marine Premium Written

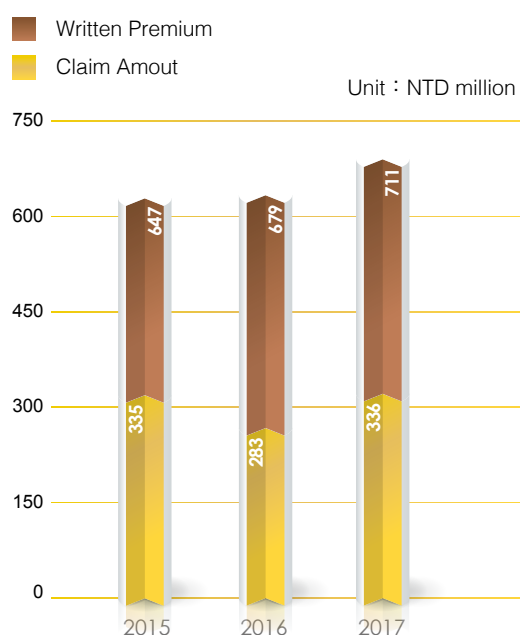
During 2017, premium written from Casualty insurance totaled NTD 711 million, representing a 4.69% growth; while the loss ratio slightly ascended to 47.26% from 41.71% of the preceding year. Liability insurance has outstanding performance compared to all other casualty insurance lines, accounting for 50.92% of the overall written premium, and it totaled NTD362 million, representing a 2.24% growth; engineering line produced a total written premium of NTD 198 million, a positive growth of 17.71%; miscellaneous casualty totaled NTD 116 million, a decrease of 1.48% from the preceding period; and credit and guarantee insurance totaled NTD 34 million, a decline of 10.85%.

In anticipation of 2018, liability insurance will respond to the rate revision of several products such as employers' liability insurance, contractors' liability insurance, and products liability insurance so that premiums will tend to rise as a whole and business performance is expected to continuously grow. As for engineering insurance, the premiums will probably rise because the new system of insurance rates is also applied to the construction and erection all risks insurances. Besides that, we will continue the promotion of various products in response to the development of government policies. For example, we will promote electronic equipment insurance and machinery comprehensive insurance, responding to the green energy policy; we will continue to develop various crop insurances, echoing new policies of agricultural development. Also, the increasing awareness of risks caused by frequent security incidents will be conducive to the promotion of information security insurances such as cyber liability insurance and electronic crime insurance.

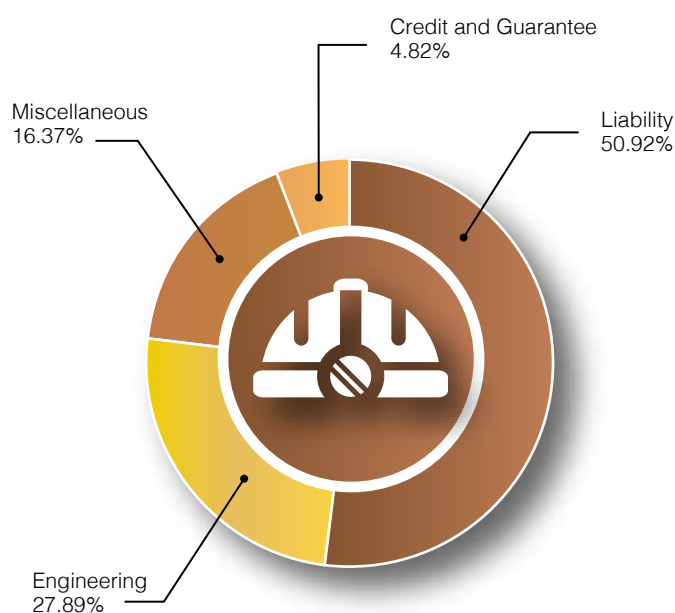
Unit: NTD million

Growth Analysis of Casualty Insurance Business	2015	2016	2017
Written Premium	647	679	711
Claim Amount	335	283	336

Structure of Casualty Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Liability	362,138	50.92%
Engineering	198,373	27.89%
Miscellaneous	116,408	16.37%
Credit and Guarantee	34,255	4.82%



Growth Analysis of Casualty Insurance Business



Structure of Casualty Premium Written

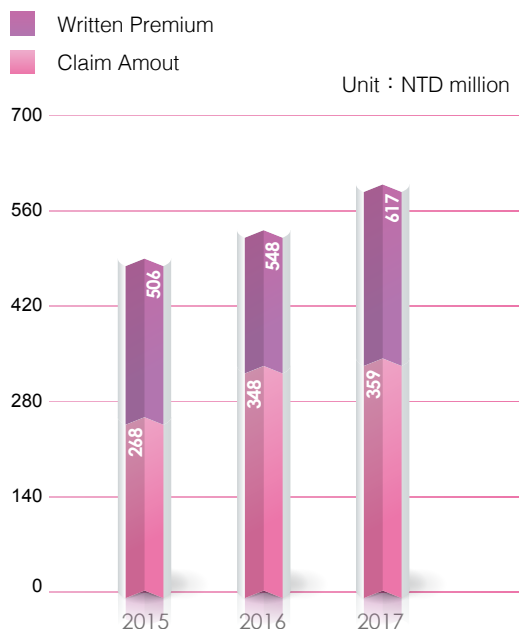
During 2017, health & personal accident insurance produced a total written premium of NTD 616 million, representing an increase of 12.47% from the preceding year. There are a growth of 9.44% in health, a growth of 12.02% in personal accident, and a growth of 16.85% in others. Our business strategy in 2017 was to continuously expand market share and effectively control the quality of business. Also, in the aspect of administrative service, we focused on both quality and efficiency so as to reduce compliant rates and improve internal and external satisfaction.

For 2018, the Company will improve the operating procedure and continue to expand business channels. Also, in combination with group injury insurance, we will strive for expanding the business of group health insurance.

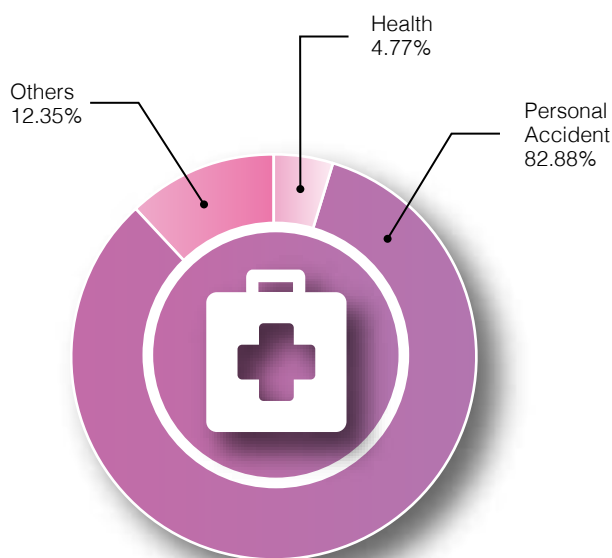
Unit: NTD million

Growth Analysis of Health & Personal Accident Insurance Business	2015	2016	2017
Written Premium	506	548	617
Claim Amount	268	348	359

Structure of Health & Personal Accident Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Health	29,388	4.77%
Personal Accident	511,201	82.88%
Others	76,179	12.35%



Growth Analysis of Health & Personal Accident Insurance Business



Structure of Health & Personal Accident Premium Written

To cope with the intensifying market competition, the Company continued to take product innovation and channel expansion as its major strategies in 2017:

(1) Innovation of Composite and Customized Products:

A great number of new products were developed in 2017, including Green Energy Upgrade Attached to Residential Comprehensive Insurance, Exhibition Site Attached to Jeweler's Block Comprehensive Insurance, Cyber Liability Insurance, Electronic & Computer Crime Comprehensive Insurance, Nursing Care Fee Attached to Group Injury Insurance (Standard Type) etc., so as to enhance our advantage in market competition and increase business momentum.

(2) Channel Development and Business Expansion

We continued to develop new channels and increase the breadth and depth of channel business in order to promote business growth.

The Company's long-term commitment to product innovation has won 'Faith-Hope-Love Awards' of The Best Product Innovation for several consecutive years presented by the Risk Management, Insurance & Finance Foundation. Our creative insurance products are also widely affirmed and highly recommended by the clients and the general public. In the future, we will continue to uphold the principle of customers first, and constantly develop new products and solidify channel business to win more business opportunities.

In the second half of 2017, from the strong earthquakes in Mexico, Hurricanes Harvey, Emma and Mary to the California fires, so many natural disasters made America suffer the third largest loss from major natural disasters in the history of the United States. The initial estimate of the amount of insured losses was up to 100 billion U.S. dollars, which also had a huge impact on the global reinsurance market. The major reinsurance companies in Europe and USA had appeared a surge in rates. Although Taiwan was not struck by serious natural disasters, it was still unable to avoid being affected by the market. Seeking optimal reinsurance arrangements at a reasonable cost became the biggest challenge.

Our Offshore Insurance Unit has started to undertake overseas reinsurance business since 2017, mainly expanding into the Asian region. At present, our primary market target is Mainland China, and Southeast Asia is secondary. We also set foot in Japanese and European markets. Balancing the development of regional business is our follow-up goal. We will continue to expand into the Asian market, and also draw on diversified product information from other regions, accumulating experience in overseas markets.

Risk Management

Risk Control Effectiveness Enhancement

In order to reinforce the operation of the mechanism and organization of risk management, the Company continues, through the board-level Risk Management Committee and the president's Meeting of Risk Management & Asset Liability Management, to establish the risk management mechanism and culture of top-down supervision and bottom-up implementation so as to assure various operations of risk management to be fully aligned with the Company's business goals and policies.

We also construct a cooperative platform consisting of auditing, compliance and risk management units, apply data science, strengthen the defensive line (in broad sense) of risk management, and elaborate on various measures of economic capital and key indicators of risk control for all business in order to gradually improve the efficacy of risk management and corporate governance.

Overseas Business

Steady Development Conforming to Rules and Regulations

In Coordination with the development of our Offshore Insurance Unit (OIU), we continue to actively seek for quality partners so as to operate international insurance and reinsurance business interactively.

Cross Selling

Marketing Integration Repeating Great Performance

Since joining Hua Nan Financial Holdings in 2003, the Company has successively set up cross-selling counters in 238 units of the Group (including Hua Nan Bank, Hua Nan Securities and Hua Nan Futures), intensifying the service for customers and effectively promoting the business performance by means of the Group's three major resources of abundant products, channels and customers.

For strengthening and maintaining the momentum of joint marketing, the Company, to meet customer needs as the starting point, combines the products between the Company and the Group each year, and plans marketing activities for composite commodities regularly, so as to enhance cross-selling performance and strengthen adhesiveness of customers.

Moreover, under the parent company's integration, the marketing resources of the Group have been integrated by means of cross-subsidiary 'integrated marketing team by corporate finance'. We also employ the 'cross-selling platform' to assist the track and management of referral cases within the Group. In addition, under the gradual establishment of employees' cross-selling consciousness, we have, for stimulating and encouraging employees to increase referrals of cross-selling business, actively planned the point-accumulation platform of staff sales, making reward rules more explicit through cumulative sales points of referring cross-selling business.

In anticipation of the future, apart from regular marketing activities for composite commodities and CRM marketing campaigns towards existing customers for increasing average product amounts of customers, the establishment of point-accumulation platform of Group's product sales can strengthen adhesiveness of customers to the Group. In summary, under the joint efforts into the expansion and development by the parent company and all members within the Group, the Company's cross-selling business of non-life insurance will grow steadily and further enhance the Company's comprehensive effect of operation.

Class of Business

Voluntary Automobile Insurance
Compulsory Automobile Liability Insurance
Fire Insurance
Fire and Allied Perils Insurance
Marine Cargo Insurance
Marine Hull Insurance
Fishing Vessel Insurance
Aviation Insurance
Hot Air Balloon Insurance
Stevedore's And Terminal Operator's Insurance
Contractors' All Risks Insurance
Erection All Risks Insurance
Contractors' Plant and Machinery Insurance
Machinery Insurance
Boiler and Pressure Vessel Insurance
Civil Engineering Completed Risks Insurance
Electronic Equipment Insurance
Public Liability Insurance
Employers' Liability Insurance

Contractors' Liability Insurance
Golfers' Liability Insurance
Products Liability Insurance
Physician's Liability Insurance
Elevators Liability Insurance
Safe Deposit Box Insurance
Pollution Liability Insurance
Railway Passengers Liability Insurance
Security Company's Liability Insurance
Accountants Professional Indemnity Insurance
Lawyers Professional Indemnity Insurance
Architects and Engineers Professional Indemnity Insurance
Insurance Agents and Brokers Professional Indemnity Insurance
Insurance Surveyors Professional Indemnity Insurance
Directors & Officers Liability Insurance
Liquefied Petroleum Gas and LPG Container Comprehensive Insurance
Toxic Chemical Substances Handlers' Liability
Educational Groups Liability Insurance

Professional Indemnity Insurance
Hospital Comprehensive Liability Insurance
Medical Malpractice Insurance
Golfers Comprehensive Insurance
Business/ Corporate/ Purchasing Liability Waiver Insurance
Criminal Executors Liability Insurance
Pharmacist and Pharmacist Assistant Professional Indemnity Insurance
Long-term Care Institutions Comprehensive Liability Insurance
Internet Counterfeits Compensation Liability Insurance
Cyber Liability Insurance
Childcare Workers Professional Indemnity Insurance
Money Insurance
Fine Arts Comprehensive Insurance
Burglary Insurance
Bankers Blanket Bond Insurance
Glass Insurance
Credit Card Comprehensive Insurance
Commercial Floater Comprehensive Insurance

Rights of Use Insurance for Individual Property
Rights of Use Insurance for Commercial Property
Fine Arts Insurance for Exhibition
Events Cancellation Insurance
Jeweler's Block Comprehensive Insurance
Electronic & Computer Crime Insurance
Performance Bond Insurance
Advance Payable Bond Insurance
Maintenance Bond Insurance
Fidelity Bond Insurance
Insurance Brokers Bond Insurance
Trade Credit Insurance
Health Insurance
Personal Accident Insurance
Comprehensive Travel Insurance
Homeowners Liability Insurance
Travel Agent Liability Insurance
Performance Bond (Travel Agents)

Financial Statements

BALANCE SHEETS FOR 2017/12/31 & 2016/ 12/31 (EXPRESSED IN THOUSAND NEW TAIWAN DOLLARS)

Code	ASSETS	2017/12/31		2016/12/31	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 1,742,311	10	1,992,349	11
	Receivables				
12100	Notes receivable, net	148,369	1	166,130	1
12200	Premiums receivable, net	88,445	-	118,382	0
12500	Other accounts receivable	107,738	1	120,461	1
12000	Total Receivables	344,552	2	404,973	2
	Investments				
14110	Financial assets at fair value through profit or loss	68,629	1	219,998	1
14120	Available-for-sale financial assets	6,091,569	34	4,324,468	25
14140	Financial assets carried at cost	145,037	1	132,453	1
14160	Bond portfolios with no active market	211,342	1	1,731,188	10
14170	Financial assets in held-to-maturity	1,056,431	6	457,473	3
14180	Other financial assets	2,511,166	14	2,415,687	14
14200	Investments in real estate	68,193	-	68,886	-
14300	Mortgage loan	227,093	1	149,666	1
14000	Total Investments	10,379,460	58	9,499,819	55
	Reinsurance Assets				
15100	Claims recoverable from reinsurers , net	375,882	2	368,638	2
15200	Reinsurance receivable, net	159,178	1	117,698	1
15300	Reinsurance reserve assets, net	3,470,836	19	3,621,621	21
15000	Total Reinsurance Assets	4,005,896	22	4,107,957	24
16000	Fixed Assets	898,671	5	885,291	5
17000	Intangible Assets	21,425	-	9,046	-
17800	Deferred income tax assets	91,708	1	88,413	1
	Other Assets				
18100	Prepayments	10,569	-	9,501	-
18300	Refundable deposits	390,584	2	377,831	2
18700	Other assets-other	27,111	-	26,772	-
18000	Total Other Assets	428,264	2	414,104	2
	TOTAL ASSETS	\$ 17,912,287	100	17,401,952	100

Code	LIABILITIES	2017/12/31		2016/12/31	
		Amount	%	Amount	%
	Payables				
21100	Notes payable	\$ 3,602	-	-	-
21400	Commission payable	93,518	-	77,916	-
21500	Reinsurance payable	452,680	3	478,952	3
21600	Other accounts payable	286,910	2	276,718	2
21000	Total Payables	836,710	5	833,586	5
21700	Current income tax liabilities	70,242	-	40,092	-
23200	Financial liability at fair value through profit or loss	12,041	-	47,394	-
	Insurance Reserves				
24100	Unearned premium reserve	4,063,331	23	4,018,778	23
24200	Claims reserve	4,951,090	27	4,889,421	28
24400	Special reserve	2,694,797	15	2,685,261	16
24500	Premium deficiency reserve	3,289	-	32,116	-
24000	Total Insurance Reserves	11,712,507	65	11,625,576	67
27000	Liability reserves	294,761	2	293,341	2
	Deferred income tax liabilities				
28100	Deferred income tax liability-land revaluation increment tax	76,529	1	76,529	1
28200	Deferred income tax liability-income tax	4,584	-	10,540	-
28000	Total Deferred Income Tax Liabilities	81,113	1	87,069	1
	Other Liabilities				
25100	Collections in advance	91	-	291	-
25300	Guarantee deposits	11,568	-	7,777	-
25600	Other liabilities-other	50,026	-	39,430	-
25000	Total Other Liabilities	61,685	-	47,498	-
2xxxx	TOTAL LIABILITIES	13,069,059	73	12,974,556	75
	Capital				
31100	Common stock	2,001,386	11	2,001,386	11
32000	Capital surplus	5,278	-	5,278	-
	Retained Earnings				
33100	Legal reserve	727,722	4	613,715	4
33200	Special reserve	1,640,200	9	1,355,222	8
33300	Undistributed earnings (Accumulated deficit)	382,303	2	385,445	2
33000	Total Retained Earnings	2,750,225	15	2,354,382	14
34000	Capital funds – others	86,339	1	66,350	0
3xxxx	TOTAL STOCKHOLDER' S EQUITY	4,843,228	27	4,427,396	25
	TOTAL LIABILITIES AND STOCKHOLDER' S EQUITY	\$ 17,912,287	100	\$ 17,401,952	100

STATEMENTS OF COMPREHENSIVE INCOME
FOR 2017/12/31 & 2016/12/31
(EXPRESSED IN THOUSAND NEW TAIWAN DOLLARS)

Code		2017/1/1~2017/12/31		2016/1/1~2016/12/31	
		Amount	%	Amount	%
	Operating Revenues				
41110	Written premiums	\$ 8,606,403	124	8,378,902	127
41120	Assumed premiums	481,810	7	422,736	6
41100	Premiums income	9,088,213	131	8,801,638	133
51100	Less : Reinsurance premiums ceded	(2,963,509)	(43)	(3,039,346)	(46)
51310	Provision for unearned premium reserve (Net)	(112,287)	(2)	(104,250)	(1)
41130	Net Premium Earned	6,012,417	86	5,658,042	86
41300	Reinsurance commission income	585,160	9	599,700	9
41400	Handling fee revenue	22,815	-	22,358	-
	Net Investment Income				
41510	Interest income	179,666	3	170,483	2
41521	Gain (Loss) on financial assets and liabilities at fair value through profit or loss	205,708	3	46,819	1
41522	Gain (Loss) on available for sale financial assets	174,988	2	120,910	2
41523	Gain (Loss) on financial assets carried at cost	6,310	-	3,645	-
41524	Gain (Loss) on bond portfolios with no active market	45,629	1	61,210	1
41525	Gain (Loss) on financial assets in held- to-maturity	-	-	39	-
41550	Gain (Loss) on foreign exchange	(275,646)	(4)	(62,384)	(1)
41570	Gain (Loss) on investments in real estate	6,577	-	6,462	-
41590	Gain (Loss) on other investments	40	-	63	-
41500	Net Investment Income	343,272	5	347,247	5
41800	Other operating revenue	3	-	314	-
41000	Total Operating Revenues	6,963,667	100	6,627,661	100
	Operating Costs				
51200	Claims paid	5,133,165	73	4,952,917	75
41200	Less : claims recovered from reinsurers	(1,895,704)	(27)	(1,783,122)	(27)
51260	Net Claims	3,237,461	46	3,169,795	48
	Net Reserves				
51320	Claims reserve-Net	132,737	2	251,006	4
51340	Special reserve-Net	9,536	-	(125,285)	(2)
51350	Premium deficiency reserve-Net	(16,844)	-	(3,899)	-
51500	Commission expenses	1,308,481	19	1,230,938	19
51800	Other operating costs	30,111	-	25,376	-
51000	Operating Costs	4,701,482	67	4,547,931	69
	Operating Expenses				
58100	Selling expenses	1,315,281	19	1,240,866	19
58200	Administrative expenses	182,281	3	175,579	2
58300	Employee training expense	5,577	-	4,106	-
58000	Operating Expenses	1,503,139	22	1,420,551	21
61000	Operating Income (Loss)	759,046	11	659,179	10
59000	Non-Operating Income and expense	10,923	-	25,174	-
62000	Gain (Loss) Before Income Tax	769,969	11	684,353	10
63000	Income Tax Benefit (Expense)	(98,710)	(1)	(83,763)	(1)
66000	Net Income (Loss)	671,259	10	600,590	9
	Other Comprehensive Income (Loss)				
	Items that may be reclassified subsequently to profit or loss:				
83220	Unrealized gain (loss) on available-for-sale financial assets	27,765	-	(41,516)	(1)
83280	Income tax benefit (expense) related to items that may be reclassified subsequently	(7,776)	-	6,685	-
83200	Total Items that may be reclassified subsequently to profit or loss	19,989	-	(34,831)	(1)
	Items that will not be reclassified subsequently to profit or loss:				
83110	Remeasurement of defined benefit plans	(8,411)	-	(36,815)	-
83180	Income tax benefit (expense) related to items that will not be reclassified subsequently	1,430	-	6,258	-
83100	Total Items that will not be reclassified subsequently to profit or loss	(6,981)	-	(30,557)	-
83000	Other comprehensive income (loss), net of tax	13,008	-	(65,388)	(1)
85000	Total Comprehensive Income (Loss)	\$ 684,267	10	535,202	8
97500	Earn (Loss) Per Share	\$ 3.35		3.00	

Management Team

Directors and Supervisors

Title	Name	
Chairman	Chung-Chuan Wu	
Director	Kevin Tu	Appointed 03.07.2018
Director	P.H. Liao	
Director	Hung-Chou Chen	
Director	Yu-Min Lian	
Director	H.Y. Tu	
Director	Ping-Yao Liao	
Director	Hsieh-Liu Lee	
Director	Nai-Wen Chang	
Director	Shih-Yu Huang	
Director	David Y.C. Cheng	
Director	Hui-Ling Hsu	
Independent Director	Wei-lung Chen	Appointed 03.07.2018
Independent Director	Hsien-Feng Lee	Appointed 03.07.2018
Independent Director	Chih-Hua Chiao	Appointed 03.07.2018 ; Resignation 18.07.2018
Supervisor	King-Huo Lu	
Supervisor	Shu-Chin Liang	
Supervisor	Su-Hwe Ou	Appointed 03.07.2018

Management

Head office	Name
President	Kevin Tu
Executive Vice President	Judy J.M. Lin
Executive Vice President	Shih-Chi Lin
Executive Vice President	Daniel H.H. Hsiao
Chief Auditor	Michael M.W. Chang
Chief Compliance Officer	Tsung-Cheng Kao
Vice President	M.S. Cheng
Vice President	J.K. Chen
Vice President	Y.M. Hu
Vice President	I Hsiung Chou
Vice President	W.J.Chen
Vice President	Derek Hsu
Manager of Planning Dept.	Jesse Chang
Manager of Financial Dept.	Y.M. Hu
Manager of Accounting Dept.	Janice Chen
Manager of Administration Dept.	W.C. Chang
Manager of Fire Dept.	Sean S.Y. Tam
Manager of Marine Dept.	Sun-Yuan Ko
Manager of Motor Underwriting Dept.	Hung Ming Chou
Manager of Motor Claims Dept.	An-Jan Chou
Manager of Casualty Dept.	Derek Hsu

Head office	Name
Manager of Accident & Health Dept.	Johnson Chen
Manager of Business I	W.C. Chuang
Manager of Business II	Jenny Hua
Manager of Business III	Shih Chang Kuo
Manager of Business V	Lio Lu
Manager of Business VI	Pai-Chiang An
Manager of Information Service Dept.	Bruce Lee
Manager of Risk Management Dept.	Kuo-Tung Hsu
Manager of Legal Affairs and Compliance Dept.	Tsung-Cheng Kao
Head of Internal Auditor	Mick Hwang
Senior Vice Manager of Reinsurance Unit	Gloria Deng
Senior Assistant Manager of International Unit	Wei-Hu Tsao
Secretary of Board of Directors	Chiah-Siang Lu

IN Branch offices	Name
Manager of Taipei Branch	Richard Lin
Manager of Taoyuan Branch	Yu-Ching Yang
Manager of Hsinchu Branch	Jen-Yu Huang
Manager of Taichung Branch	Po-Tsang Chen
Manager of Yuanlin Branch	Tsung Hsi Hung
Manager of Tainan Branch	Yu Jen Huang
Manager of Kaohsiung Branch	Chih Chiang Wang

Office Address

Corporate Offices

Units	Address	Tel.
Headquarter	5F.6F., No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, Taiwan	(02) 2758-8418
	3F.4F.5F., No.176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan	(02) 2756-2200
	http://www.south-china.com.tw	
Call Center	5F., No.176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan	(02) 2761-6969
Taipei Branch Office	18F., No.31, Sec. 2, Sanmin Rd., Banqiao Dist., New Taipei City, Taiwan	(02) 2954-7373
Taoyuan Branch Office	8F., No.332, Xianfu Rd., Taoyuan Dist., Taoyuan City, Taiwan	(03) 333-1412
Hsinchu Branch Office	No.161, Zhongyang Rd., Hsinchu City, Taiwan	(03) 532-4500
Taichung Branch Office	5F., No.698, Sec. 4, Wenxin Rd., Beitun Dist., Taichung City, Taiwan	(04) 2238-7818
Yuanlin Branch Office	3F., No.2, Sec. 2, Datong Rd., Yuanlin City, Changhua County, Taiwan	(048) 354-531
Tainan Branch Office	3F., No.154, Sec. 2, Yongfu Rd., West Central Dist., Tainan City, Taiwan	(06) 226-2131
Kaohsiung Branch Office	5F., No.78, Liuhe 1st Rd., Xinxing Dist., Kaohsiung City, Taiwan	(07) 238-0909
Offshore Insurance Branch Taipei	5F., No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, Taiwan	(02) 2756-2200
Chengchung Liaison Office	8F., No.3, Shaoxing N. St., Zhongzheng Dist., Taipei City, Taiwan	(02) 2321-3889
Chunglun Liaison Office	No.73, Sec. 4, Bade Rd., Songshan Dist., Taipei City, Taiwan	(02) 2761-3693
Shinlin Liaison Office	11F., No.192-1, Sec. 4, Chengde Rd., Shilin Dist., Taipei City, Taiwan	(02) 2883-7072

Units	Address	Tel.
Nangang Liaison Office	No.140, Xinghua Rd., Nangang Dist., Taipei City, Taiwan	(02) 2788-6209
Sanchung Liaison Office	Rm. B, 11F., No.66, Sec. 1, Chongyang Rd., Sanchong Dist., New Taipei City, Taiwan	(02) 2983-4455
Wenshan Liaison Office	No.45, Zhongyang Rd., Xindian Dist., New Taipei City, Taiwan	(02) 2218-1212
Shulin Liaison Office	No.258, Zhongzheng Rd., Shulin Dist., New Taipei City, Taiwan	(02) 2689-1008
Nankan Liaison Office	No.139, Nanshang Rd., Guishan Dist., Taoyuan City, Taiwan	(03) 222-5698
Chungli Liaison Office	No.175, Zhongyuan Rd., Zhongli Dist., Taoyuan City, Taiwan	(03) 434-5936
Toufen Liaison Office	No.403, Minzu Rd., Toufen Town, Miaoli County, Taiwan	(037) 613-889
Miaoli Liaison Office	No.365, Zhigong Rd., Miaoli City, Taiwan	(037) 337-557
Fengyuan Liaison Office	No.181, Zhongshan Rd., Fengyuan Dist., Taichung City, Taiwan	(04) 2529-0961
Minchuan Liaison Office	Rm. 503, No.102, Minquan Rd., Central Dist., Taichung City, Taiwan	(04) 2225-9285
Tachia Liaison Office	4F., No.10, Wenwu Rd., Dajia Dist., Taichung City, Taiwan	(04) 2688-2218
Shalu Liaison Office	4F., No.151-3, Zhonghua Rd., Qingshui Dist., Taichung City, Taiwan	(04) 2627-3299
Nantou Liaison Office	3F., No.236, Fuxing Rd., Nantou City, Taiwan	(049) 223-3706
Caotun Liaison Office	No.493, Bo-ai Rd., Caotun Town, Nantou County, Taiwan	(049) 236-7881
Changhua Liaison Office	No.300, Sec.1, Chung Shan Rd., Changhua City, Changhua County, Taiwan	(04) 711-5685

Units	Address	Tel.
Lukang Liaison Office	No.90, Sec. 8, Zhanglu Rd., Lukang Township, Changhua County , Taiwan	(04) 778-0780
Douliu Liaison Office	No.234, Juang Jing Rd., Douliu City, Yunlin County, Taiwan	(05) 532-3922
Chiayi Liaison Office	4F-3, No.762, Xinmin Rd., Chiayi City, Taiwan	(05) 286-4599
Xinying Liaison Office	No.304, Sec. 2, Xinjin Rd., Xinying Dist., Tainan City, Taiwan	(06) 656-2565
Rende Liaison Office	No.180, Zhongshan Rd., Rende Dist., Tainan City , Taiwan	(06) 249-0707
Xinxing Liaison Office	5F., No.61, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City , Taiwan	(07) 215-1998
Nanzi Liaison Office	No.292, Yuanzhong Rd., Nanzi Dist., Kaohsiung City , Taiwan	(07) 360-8220
Pingtung Liaison Office	1F., No.105, Ren' ai Rd., Pingtung City, Taiwan	(08) 735-3182
Fongshan Liaison Office	No.680, Chengqing Rd., Sanmin Dist., Kaohsiung City , Taiwan	(07) 767-6879
Taitung Liaison Office	No.396, Hanyang N. Rd., Taitung City, Taiwan	(089) 321-681
Hualien Liaison Office	No.12, Sec. 1, Heping Rd., Ji' an Township, Hualien County , Taiwan	(03) 856-0001
Luodong Liaison Office	1F., No.338-6, Gongzheng Rd., Luodong Town, Yilan County,Taiwan	(03) 956-5621
Keelung Liaison Office	4F., No.305, Ren 1st Rd., Keelung City, Taiwan	(02) 2420-1920
Shenzhen Rep Office	Room 709, Block C, Xintian Century Business Center, Shisha Beier Street, Futian District, Shenzhen City, Guangdong Province, China	86-755-82092345