



Trustworthy Integrity, Realistic Stability, and Sustainable Operation

Mission

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

Vision

To embrace digital development and become the happiness enterprise preferred by both customers and employees

Core Values

Professionalism, Foresight, Innovation, Accountability, and Enthusiasm

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, Health, and Reinsurance.



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 to promote corporate citizenship awareness of "being attentive to the underprivileged and caring for the society". With the spirit of 'giving back to the society', we will constantly provide assistance for the disadvantaged groups to fulfill our social responsibility.

Activities for Employees

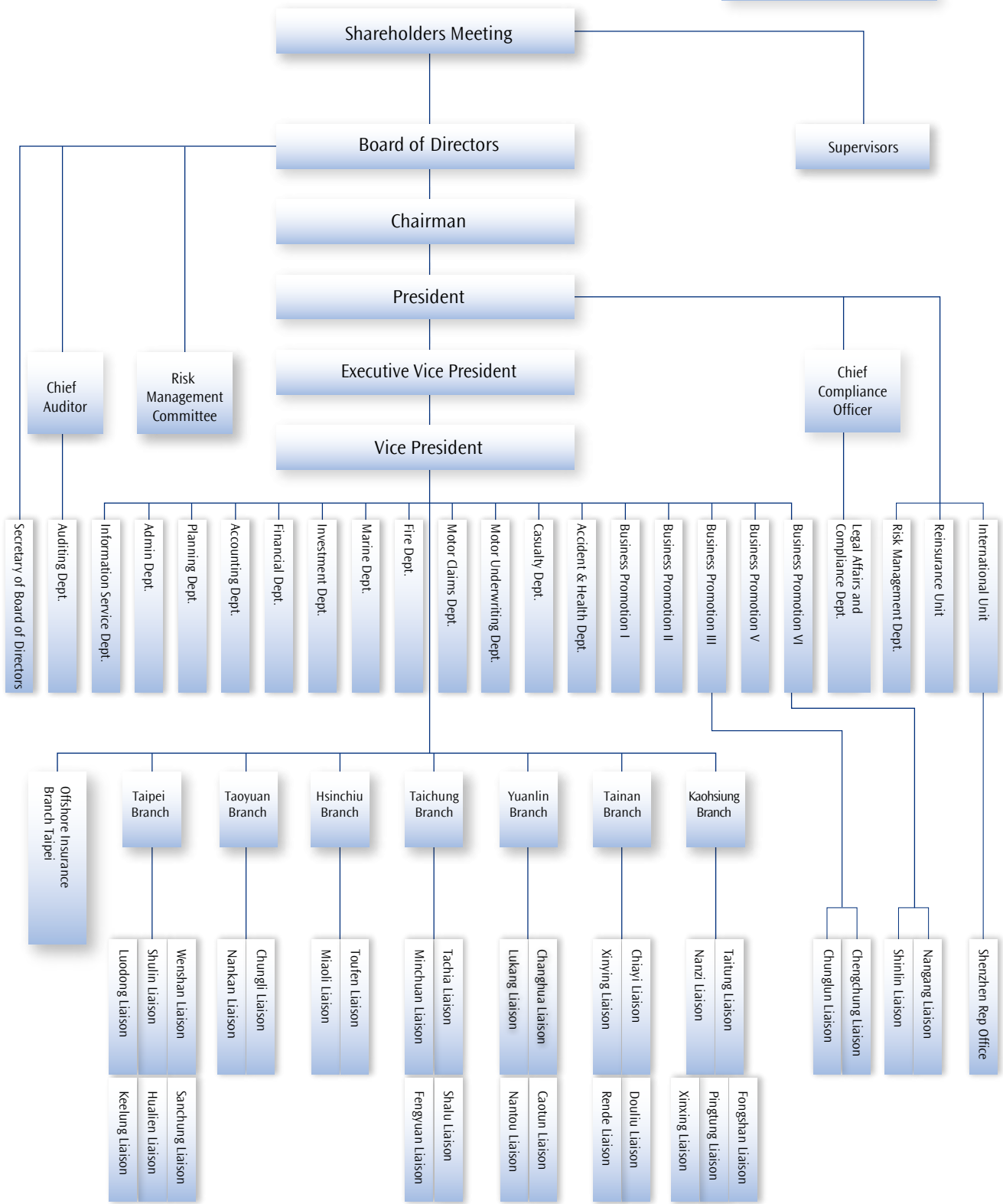
To enhance staff morale and build team cohesion, the Company holds a number of group activities for employees every year such as year-end banquets, Chinese New Year's group greetings, and Company tours for the staffs. In addition, for the sake of physical and mental relaxation outside of work, the Company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



Organization Chart



Subsidiaries of Hua Nan Financial Holdings, Ltd



I Operation Report

Outstanding Achievements, Brilliant Performance

Looking back on the situations of our domestic economic development in 2018, due to the moderate growth of the European and American economies, our domestic economic performance had maintained growth but the country's annual economic growth rate was slightly lower than 2017. Also, according to the statistical data released by Ministry of Finance, the value of import-export trades of 2018 was still higher than last year, and the economic momentum remained stable.

As for property & casualty insurance in domestic market during 2018, total written premium reached NTD 164,859 million, a growth of 5.69% compared to NTD 155,982 million in 2017. In general, the performances of auto, fire, casualty, marine, and personal accident & health insurances had all improved compared with 2017, and especially casualty insurance registered the best growth rate of 13.11%. The overall industry development in the future is expected to maintain the tendency of growth.

Operation Report of 2018

1. Performance

During 2018, the Company posted a total written premium of NTD 8,658 million, representing a growth of 0.61% compared to last year. Among them, auto premium declined by 0.73%, a total of NTD 5,290 million; fire premium grew by 1.71%, posting a total of NTD 1,439 million; marine premium declined by 7.12%, a total of NTD 495 million; casualty premium grew by 1.88%, standing at NTD 724 million; personal accident & health increased by 14.84%, reaching total of NTD 708 million; and inward reinsurance grew by 36.56%, a total of NTD 657 million.

In addition, gross claims during the period totaled NTD 4,737million, accounting for 54.72% of total premium written. Among them, auto claims amount comes to a total of NTD 3,031 million, equivalent to 57.30% of total auto premium income; fire claims totaled NTD 458 million, or 31.88% of fire premium; marine claims totaled NTD 355 million, or 71.78% of marine premium; casualty claims totaled NTD 433 million, or 59.89% of its premium; and personal accident & health claims totaled NTD 457 million, accounting for 64.61% of its premium income.



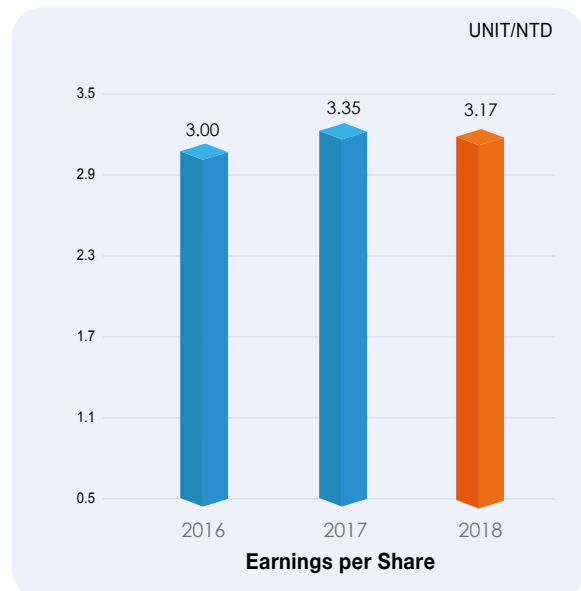
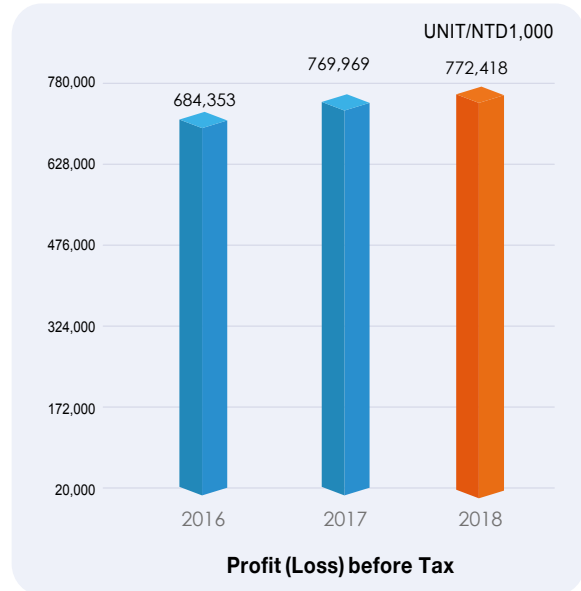
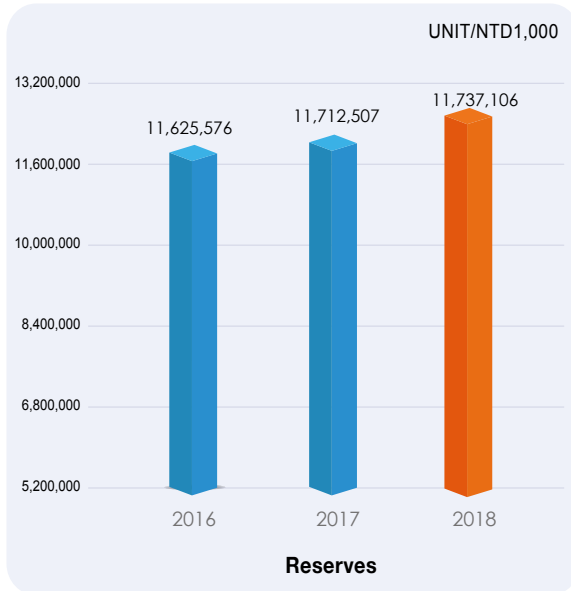
During the year under review, the Company's operation development made resounding achievements in the overall management and operational strategies, in terms of the emphasis on legal compliance and risk management, the enhancement of anti-money laundering and combating terrorism financing, the implementation and consolidation of personal information management, the efficacy of information management and the information security management mechanisms, the sound fund allocation, and the practice of corporate social responsibility. The total written premium still maintained the growth trend, the Company's market ranking maintained top 7, and its profit per share (after tax) achieved NTD 3.17 in 2018, which proved a brilliant operational performance.

2. Profitability

During 2018, the Company's operating revenue totaled NTD 7,012 million, producing a profit of NTD 635 million, or NTD 3.17 per share, after tax. Returns on assets and shareholders' equity are 3.54% and 12.98% respectively.

Unit / NTD1,000

Financial Highlights	2016	2017	2018
Premium Written	8,801,638	9,088,213	9,316,617
Reserves	11,625,576	11,712,507	11,737,106
Investments Income	347,247	343,272	185,478
Total Assets	17,401,952	17,912,287	17,998,131
Profit (Loss) before Tax	684,353	769,969	772,418
Earnings Per Share (NTD)	3.00	3.35	3.17





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 2018, the Company had developed total 215 new products and already marketed 117 packaged products to meet the needs for business development and provide complete and professional services to the customers. In line with government policies and fulfilling social responsibilities, the Company developed the "South China Papaya Insurance for Wind Speed and Rainfall Parameters", which was approved by the Insurance Bureau of Financial Supervisory Commission in August 2018 as a protective barrier for the risk transfer of papaya farmers.

The network business opportunity has great developmental potential. In 2018, the Company's eCover website has included travel comprehensive insurance, automobile insurance, motorcycle insurance, residential fire insurance, etc., providing customers with the 24-hour service for premium calculation, insurance application, payment, claims, etc. as well as the function of member only area to make clients enjoy more convenient insurance services. In accordance with the digital development trend, we established the LINE@ platform to provide multi-marketing services, strengthening the connection of network insurance application and insurance services, and in the future, it will also inject AI robot services and more advanced online service functions to provide more convenient services.

Since 2017, the Company has independently developed the "South China Insurance Claims Instant Service" system, which was officially online in February, 2018. The mobile device (iPad) was used to accept claims on the spot to improve the efficiency and quality of the auto insurance claims service.

Owing to our constant devotion to professional operation and social activities for public welfare, the Company has won the 'Faith-Hope-Love Awards' of The Best Insurance Professional, The Best Professional Consulting, and The Best Liaison Office presented by the Risk Management, Insurance & Finance Foundation, also got honorable mention in "The Best Social Responsibility", and has acquired wide support and trust from our society. In addition, the Company's credit rating was rated by A.M. Best in 2018 "Financial Strength A (Excellent), Issuer Credit a, and Rating Outlook Stable." The Company was also highly rated "twAA with a Stable Outlook" by Taiwan Ratings in 2018. It showed a high appraisal for our strong and healthy capital level, great control ability of sales channels, excellent capital flow, and proper risk management and control.

During 2018, with the effort of our employees, the Company, in the spirit of business innovation, customer focus, and efficiency-driven service, has accomplished steady and successful achievements. 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 software and hardware equipment, innovate digital applications, and enhance information integration and management efficacy. By all of this, we will steadily move forward and create great success.

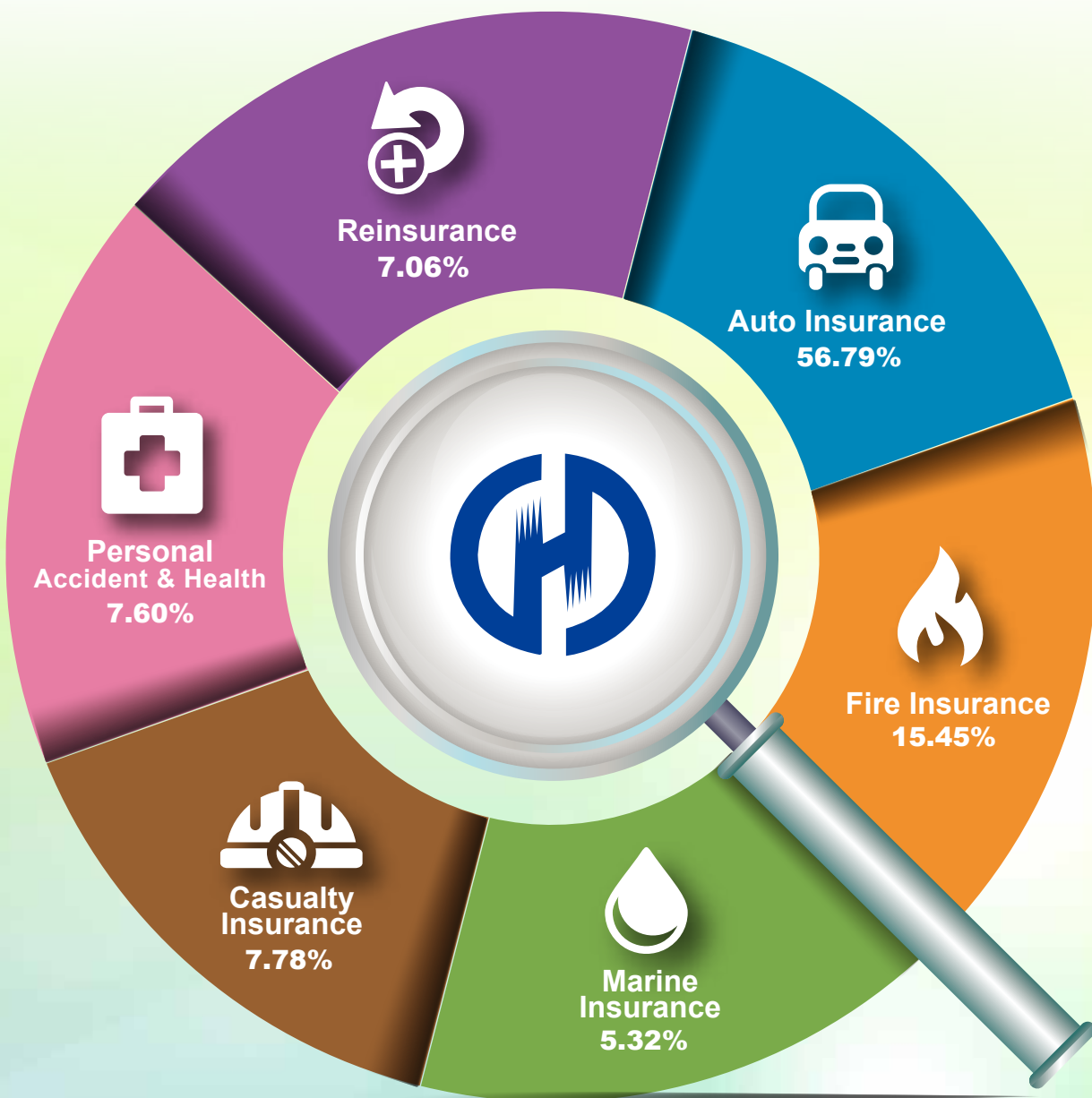
Chairman **Chung Chuan Wu**

President **Kevin Tu**

II Business Development

Steady Operation and Diversified Innovation

1. The Business Structure in 2018





2. Business Developments in Individual Units

Auto Insurance

Solidifying Roots and Expanding Resources • Active Growth

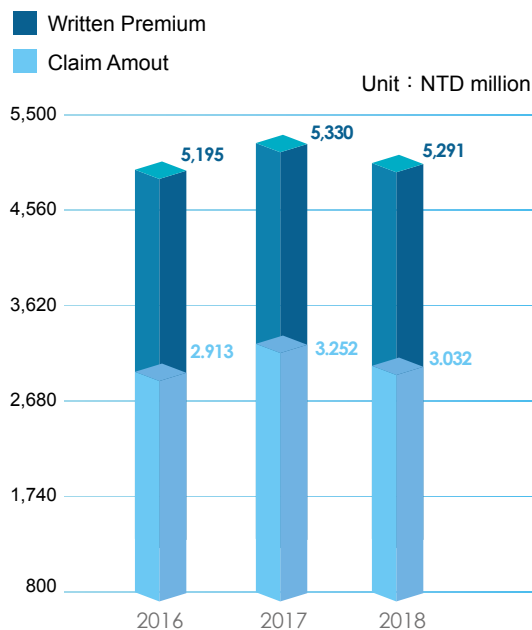
This year, premium written for auto insurance totaled NTD 5,290 million, a decline of 0.73% from 2017. The portfolio of Auto included voluntary insurance totaling NTD 4,498 and compulsory premium totaling NTD 792 million, which accounted for 85.03 and 14.97% respectively of Auto Business. The Company actively promoted the business development of new channels and the rise of renewal rate so as to maintain the stability of business.

In anticipation of 2019, the Company will expand the sales bases that have not yet been operated to increase the market share, and formulate product combinations based upon the attributes of different channels in expectation of driving the growth of premiums. We will also actively grasp the market information, timely attack the market by focusing on well-selling brands, and lay out the brands which have great potential in the future in order to create business opportunities.

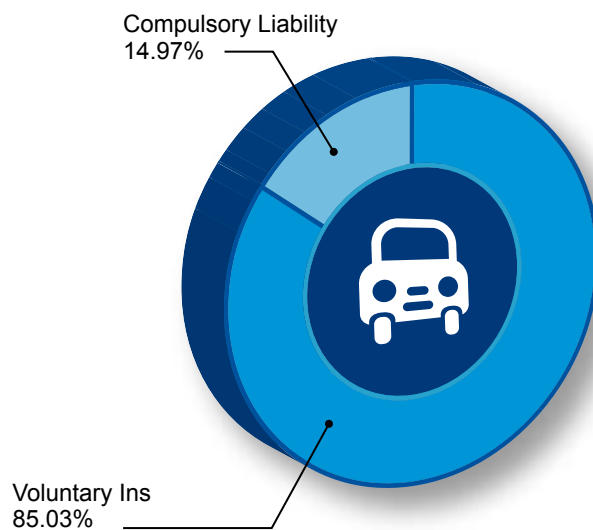
Unit : NTD million

Growth Analysis of Auto Insurance Business	2016	2017	2018
Written Premium	5,195	5,330	5,291
Claim Amount	2,913	3,252	3,032

Structure of Auto Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Voluntary Ins	4,498,675	85.03%
Compulsory Liability	792,125	14.97%



Growth Analysis of Auto Insurance Business



Structure of Auto Premium Written

Fire Insurance From Great to Greater · Reaching New Heights

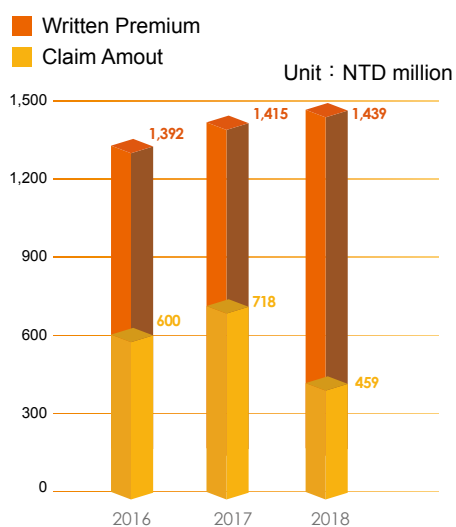
During 2018, the overall fire insurance market appeared a slight growth of 2.44% due to the adjustment of the insurance periods for specific large-scale commercial fire cases. With a relatively low share, we benefited from this only to a limited extent, though. In the aspect of underwriting performance, we continued to strictly control the quality of our business, and also favorably, there was no major natural disaster during the year; as a result, our loss ratio of written premium was only 16.20%, the lowest in recent years, and our underwriting profit reached \$305 million, the highest within the past four years.

For 2019, the Company's fire insurance business will focus on the four core strategies: business growth, quality improvement, process improvement, and function enhancement. Under the premise of ensuring stable underwriting profit, the Company will strive to achieve a breakthrough in market share. Firstly in the practice, we will carefully follow up the renewal business, make efforts to acquire new insurance business, focus on large-scale target quality business, striving for the increase in the proportion of undertaking, simplify the quotation process of medium- and small-scale commercial fire insurance, promptly providing correct quotation, and exploit new insurance business. 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 and insurance agent channels so as to improve the overall profit contribution further.

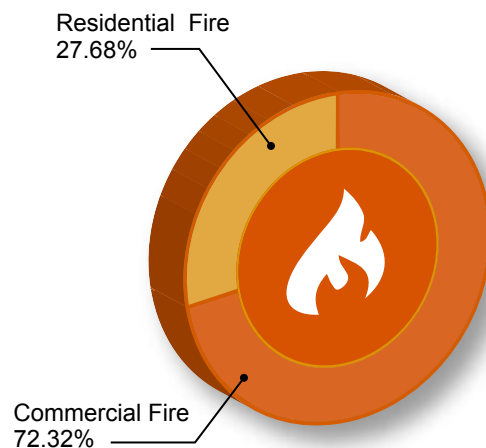
Unit : NTD million

Growth Analysis of Fire Insurance Business	2016	2017	2018
Written Premium	1,392	1,415	1,439
Claim Amount	600	718	459

Structure of Fire Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Commercial Fire	1,040,889	72.32%
Residential Fire	398,310	27.68%



Growth Analysis of Fire Insurance Business



Structure of Fire Premium Written



Marine Insurance Prudent and Pragmatic · Steadily Striving for Victory

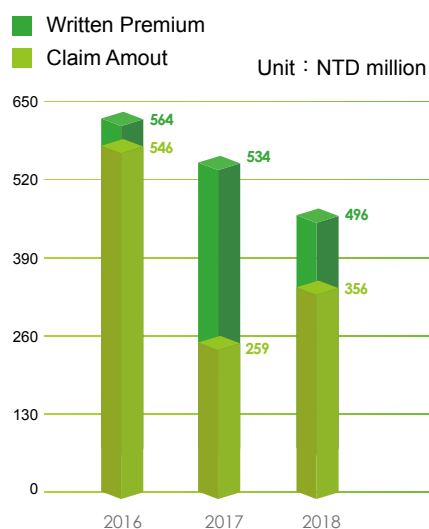
The Company's written premiums for marine insurance totaled NTD 495 million in 2018. The written premiums for marine cargo, hull, and aviation reached NTD 316 million, NTD 139 million, and NTD 40 million respectively. The overall business showed a decline of about 7% from the previous year, and only hull insurance displayed a growth of nearly 9% from the preceding year.

Looking forward to 2019, although the global economy is expected to continue its fluctuation, there has already been a gradual recovery trend. The government's efforts to 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 "prudent and pragmatic, steadily striving for victory", we will cooperate with sales team to visit customers and make efforts to develop new target customers so that we can hopefully stand firm in the fiercely competitive market and actively face market changes.

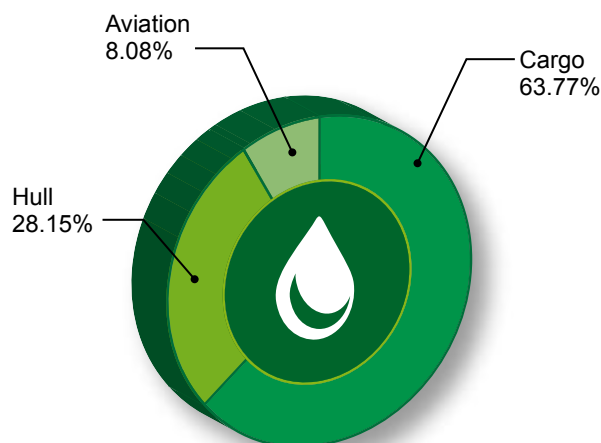
Unit : NTD million

Growth Analysis of Marine Insurance Business	2016	2017	2018
Written Premium	564	534	496
Claim Amount	546	259	356

Structure of Marine Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Cargo	316,192	63.77%
Hull	139,557	28.15%
Aviation	40,079	8.08%



Growth Analysis of Marine Insurance Business



Structure of Marine Premium Written

Casualty Insurance Progressing in Both Quality and Quantity • Creating New Opportunity

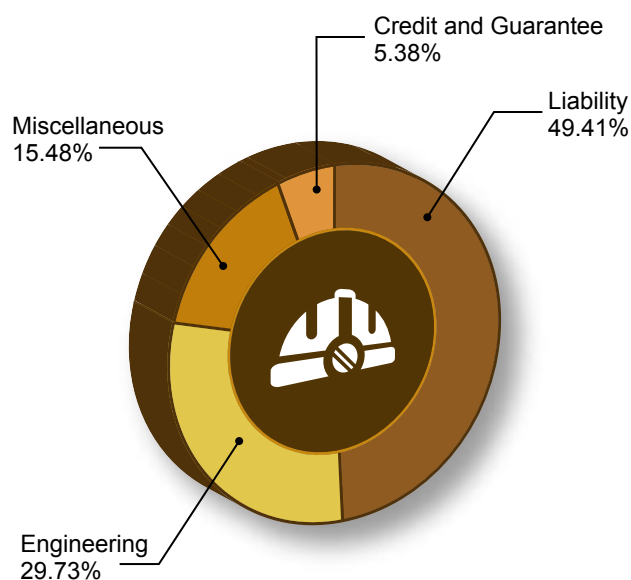
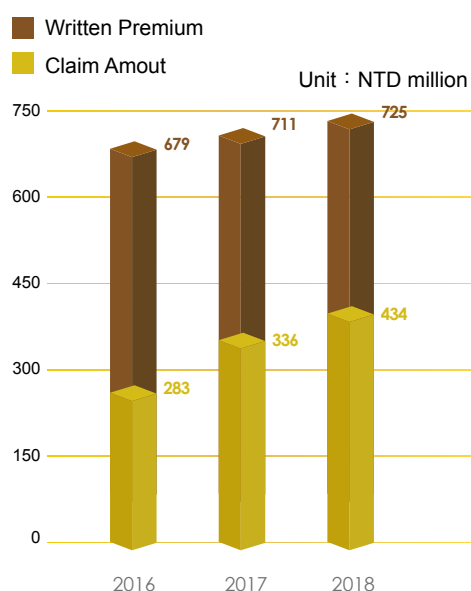
During 2018, premium written from Casualty insurance totaled NTD 724 million, representing a 1.88% growth. Among them, the written premium of liability insurance totaled NTD 358 million, representing a slight decline of 1.14%; engineering line produced a total written premium of NTD 215 million, a positive growth of 8.58%; miscellaneous casualty totaled NTD 112 million, a decrease of 3.65% from the preceding period; and credit and guarantee insurance totaled NTD 38 million, a growth of 13.83%, maintaining the 7th place in the market share ranking. In the absence of natural disasters and major losses during 2018, our underwriting profit increased significantly from 2017 under the policy of strictly controlling the quality of underwriting business and properly arranging reinsurance.

In anticipation of 2019, the green energy industry and mobile phone insurance business will continue to heat up, and many commodities such as employer liability insurance and engineering insurance will implement the Association version of reference rates. In responses to that, the overall premiums of the casualty insurance market are expected to keep the trend of growth. The Company will strengthen its channel relationships and create product differentiation so as to achieve its goals of business growth and expanding its market share of advantageous products. Besides that, we will continue to develop new types of products such as pet insurance, information security insurance for small and medium enterprise, mobile phone insurance etc. to enlarge the business scope and further increase profits. Meanwhile, after the successful experience of papaya insurance, we will continue to develop other crop insurances in line with the government's agricultural policy.

Unit : NTD million

Growth Analysis of Casualty Insurance Business	2016	2017	2018
Written Premium	679	711	725
Claim Amount	283	336	434

Structure of Casualty Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Liability	358,023	49.41%
Engineering	215,393	29.73%
Miscellaneous	112,158	15.48%
Credit and Guarantee	38,991	5.38%





Health & Personal Accident Improving Quality • From Great to Greater

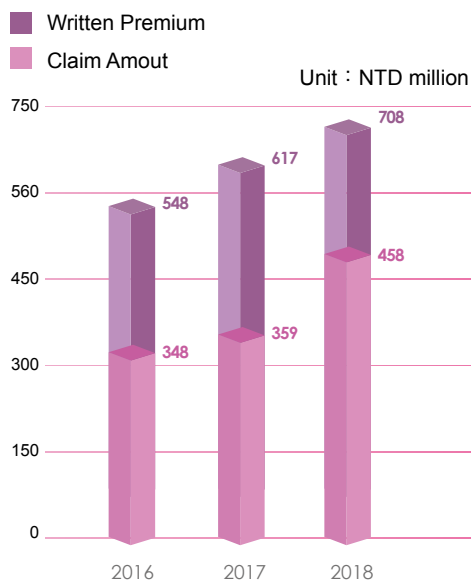
During 2018, health & personal accident insurance produced a total written premium of NTD 708 million, representing an increase of 14.84% from the preceding year. There are a growth of 98.19% in health, a growth of 12.03% in personal accident, and a growth of 1.52% in others. Our business strategy in 2018 was to strengthen the marketing activities, promote the Group's Insurance business, advance the business of insurance agent channels, work in accordance with the business attributes of individual channels, activate the product combinations, and package new projects.

For 2019, the Company will continue to advance the business of insurance agent channels, promote the IPA business, reduce the proportion of GPA business, and improve the business structure. Also, we will strengthen our business screening to reduce the loss ratio.

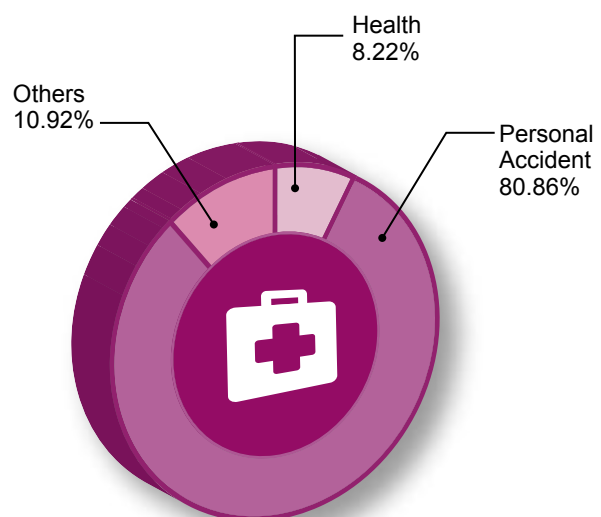
Unit : NTD million

Growth Analysis of Health & Personal Accident Insurance Business	2016	2017	2018
Written Premium	548	617	708
Claim Amount	348	359	458

Structure of Health & Personal Accident Premium Written	Premium (Unit: NTD 1,000)	Percentage (%)
Health	58,244	8.22%
Personal Accident	572,705	80.86%
Others	77,339	10.92%



Growth Analysis of Health & Personal Accident Insurance Business



Structure of Health & Personal Accident Premium Written



Product Development

The Leaping Advancement of Products · The Rise of All Channels

To cope with the intensifying market competition, the Company continued to take product innovation and channel expansion as its major strategies in 2018:

(1) Innovation of Composite and Customized Products:

A great number of new products were developed in 2018, including South China Papaya Insurance for Wind Speed and Rainfall Parameters, Scaffolding Net Room Attached to South China Papaya Insurance for Wind Speed and Rainfall Parameters, The Extension Period of Loss Notice (resigned employees) Attached to South China Personnel Guarantee Insurance, South China Liability Insurance for Child Care Professionals, Accommodation Insurance of Waiting for Returning to Homeland Attach to South China Travel Comprehensive Insurance, Compensation Insurance of Flight's Landing Change Attached to South China Travel Comprehensive Insurance etc., so as to maintain our competitive advantage, expand new business opportunities, and promote business growth.

(2) Channel Development and Business Expansion

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

Reinsurance

Balancing and Steadying Risk · Focusing on Profit

The reinsurance market appeared quite stable partly because there was no major natural disaster damage for two consecutive years in Taiwan. By contrast, the international market was not so smooth. Wildfires happened in California, USA again, with losses exceeding US \$16.5 billion; and Japan had also suffered several typhoons, of which Typhoon Swallow was the most severely damaging, resulting in insurance losses up to US \$10 billion (and the amount is still growing). After the deficits of several consecutive years, Lloyd's of London conducted a comprehensive examination, and a number of Syndicates accordingly ended their business or reduced their operating projects. The energy of the international reinsurance market rapidly declined, and how to properly arrange reinsurance has become a big challenge. In addition, our Offshore Insurance Unit continued to focus on reinsurance contract business, and also deployed throughout China and Southeast Asia following prudent operating principles to seek steady growth.



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 a 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

Steadily Moving Forwards · Prudent and Pragmatic

In Coordination with our Offshore Insurance Unit (OIU), we continue to develop contract reinsurance business in the areas of mainland China and Asia, seeking long-term cooperation partners and the exchange of international insurance business.

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 237 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
Comprehensive Machinery 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
Police Officers Liability 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
Papaya Typhoon Wind Speed and Rainfall Index 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)

III Financial Statements

BALANCE SHEETS FOR 2018/12/31 & 2017/ 12/31 (EXPRESSED IN THOUSAND OF NEW TAIWAN DOLLARS)

Code	ASSETS	2018/12/31		2017/12/31	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 1,649,142	9	\$ 1,742,311	10
	Receivables				
12100	Notes receivable, net	148,907	1	148,369	1
12200	Premiums receivable, net	139,028	1	88,445	-
12500	Other accounts receivable	101,648	-	107,738	1
12000	Total Receivables	389,583	2	344,552	2
	Investments				
14110	Financial assets at fair value through profit or loss	2,672,268	15	68,629	1
14190	Financial assets at fair value through other comprehensive income	3,498,974	19	-	-
14120	Available-for-sale financial assets	-	-	6,091,569	34
14140	Financial assets carried at cost	-	-	145,037	1
14145	Investments in debt instruments measure at amortized cost, net	1,717,567	10	-	-
14160	Bond portfolios with no active market	-	-	211,342	1
14170	Financial assets in held-to-maturity	-	-	1,056,431	6
14180	Other financial assets	2,251,967	13	2,511,166	14
14200	Investments in real estate	67,691	-	68,193	-
14300	Mortgage loan	222,518	1	227,093	1
14000	Total Investments	10,430,985	58	10,379,460	58
	Reinsurance Assets				
15100	Claims recoverable from reinsurers , net	376,723	2	375,882	2
15200	Reinsurance receivable, net	186,819	1	159,178	1
15300	Reinsurance reserve assets, net	3,467,062	19	3,470,836	19
15000	Total Reinsurance Assets	4,030,604	22	4,005,896	22
16000	Fixed Assets	894,604	5	898,671	5
17000	Intangible Assets	39,143	-	43,172	-
17800	Deferred income tax assets	129,746	1	91,708	1
	Other Assets				
18100	Prepayments	17,125	-	10,569	-
18300	Refundable deposits	402,920	3	390,584	2
18700	Other assets-other	14,279	-	5,364	-
18000	Total Other Assets	434,324	3	406,517	2
	TOTAL ASSETS	\$ 17,998,131	100	\$ 17,912,287	100



Code	LIABILITIES	2018/12/31		2017/12/31	
		Amount	%	Amount	%
	Payables				
21100	Notes payable	\$ 3,112	-	\$ 3,602	-
21400	Commission payable	93,343	1	93,518	-
21500	Reinsurance payable	410,588	2	452,680	3
21600	Other accounts payable	267,882	1	286,910	2
21000	Total Payables	774,925	4	836,710	5
21700	Current income tax liabilities	51,844	-	70,242	-
23200	Financial liability at fair value through profit or loss	19,487	-	12,041	-
	Insurance Reserves				
24100	Unearned premium reserve	4,363,590	24	4,063,331	23
24200	Claims reserve	4,622,950	26	4,951,090	27
24400	Special reserve	2,744,718	15	2,694,797	15
24500	Premium deficiency reserve	5,848	-	3,289	-
24000	Total Insurance Reserves	11,737,106	65	11,712,507	65
27000	Liability reserves	306,817	2	294,761	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	19,147	-	4,584	-
28000	Total Deferred Income Tax Liabilities	95,676	1	81,113	1
	Other Liabilities				
25100	Collections in advance	91	-	91	-
25300	Guarantee deposits	16,800	-	11,568	-
25600	Other liabilities-other	46,229	-	50,026	-
25000	Total Other Liabilities	63,120	-	61,685	-
2XXXX	TOTAL LIABILITIES	13,048,975	72	13,069,059	73
	Capital				
31100	Common stock	2,001,386	11	2,001,386	11
32000	Capital surplus	5,278	-	5,278	-
	Retained Earnings				
33100	Legal reserve	860,578	5	727,722	4
33200	Special reserve	1,943,080	11	1,640,200	9
33300	Unappropriated earnings (Accumulated deficit)	283,452	1	382,303	2
33000	Total Retained Earnings	3,087,110	17	2,750,225	15
34000	Other equity	(144,618)	-	86,339	1
3XXXX	TOTAL EQUITY	4,949,156	28	4,843,228	27
	TOTAL LIABILITIES AND EQUITY	\$ 17,998,131	100	\$ 17,912,287	100

STATEMENTS OF COMPREHENSIVE INCOME FOR 2018/12/31 & 2017/ 12/31 (EXPRESSED IN THOUSAND OF NEW TAIWAN DOLLARS)

Code		2018/1/1~2018/12/31		2017/1/1~2017/12/31	
		Amount	%	Amount	%
41110	Operating Revenues	\$ 8,658,680	124	\$ 8,606,403	124
41120	Written premiums	657,937	9	481,810	7
41100	Assumed premiums	9,316,617	133	9,088,213	131
51100	Premiums income	(3,065,854)	(44)	(2,963,509)	(43)
51310	Less:Reinsurance premiums ceded	(92,963)	(1)	(112,287)	(2)
41130	Provision for unearned premium reserve (Net)	6,157,800	88	6,012,417	86
41300	Net Premium Earned	645,490	9	585,160	9
41400	Reinsurance commission income	23,260	-	22,815	-
41510	Handling fee revenues	166,279	3	179,666	3
41521	Net Investment Income	(186,882)	(3)	205,708	3
	Interest income	-	-	-	-
41522	Gain (loss) on financial assets and liabilities	-	-	174,988	2
41523	at fair value through profit or loss	-	-	6,310	-
41524	Realized gain (loss) on available-for-sale financial assets	-	-	45,629	1
41526	Realized gain (loss) on financial assets carried at cost	604	-	-	-
41527	Realized gain (loss) on bond portfolios with no active market	18,224	-	-	-
	Excluding gain (loss) on financial assets measured at amortised cost	-	-	-	-
41550	Realized gain (loss) on financial assets	47,441	1	(275,646)	(4)
41570	at fair value through other comprehensive income	6,499	-	6,577	-
41585	Gain (loss) on foreign exchange	173	-	-	-
41590	Gain (loss) on investments in real estate	62	-	40	-
41600	Expected credit loss reversed-financial instruments	133,078	2	-	-
41500	Gain (loss) on other investments	185,478	3	343,272	5
41800	Net Investment Income	4	-	3	-
41000	Other operating revenue	7,012,032	100	6,963,667	100
	Total Operating Revenues				
	Operating Costs				
51200	Claims paid	5,067,698	73	5,133,165	73
41200	Less:claims recovered from reinsurers	(1,664,779)	(24)	(1,895,704)	(27)
51260	Net Claims	3,402,919	49	3,237,461	46
	Net Reserves				
51320	Claims reserve-Net	(121,933)	(2)	132,737	2
51340	Special reserve-Net	49,921	1	9,536	-
51350	Premium deficiency reserve-Net	2,524	-	(16,844)	-
51500	Commission expenses	1,399,290	20	1,308,481	19
51800	Other operating costs	18,492	-	30,111	-
51000	Operating Costs	4,751,213	68	4,701,482	67
	Operating Expenses				
58100	Selling expenses	1,278,493	18	1,315,281	19
58200	Administrative expenses	195,106	3	182,281	3
58300	Employee training expense	6,567	-	5,577	-
58400	Expected credit loss reversed-non financial instruments	1,133	-	-	-
58000	Operating Expenses	1,481,299	21	1,503,139	22
61000	Operating Income (Loss)	779,520	11	759,046	11
59000	Non-Operating Income and Expense	(7,102)	-	10,923	-
62000	"Gain (Loss) Before Income Tax "	772,418	11	769,969	11
63000	Income Tax Benefit (Expense)	(137,183)	(2)	(98,710)	(1)
66000	Net Income (Loss)	635,235	9	671,259	10
	Other Comprehensive Income (Loss)				
	Items that will not be reclassified subsequently to profit or loss:				
83110	Remeasurement of defined benefit plans	(19,940)	-	(8,411)	-
83190	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(6,948)	-	-	-
83180	Income tax benefit (expense) related to items that will not be reclassified subsequently to profit or loss	12,366	-	1,430	-
83100	Total Items that will not be reclassified subsequently to profit or loss	(14,522)	-	(6,981)	-
	Items that may be reclassified subsequently to profit or loss:				
83210	Exchange differences on translating the financial statements of foreign operations	2,130	-	-	-
83220	Unrealized gain (loss) on available-for-sale financial assets	-	-	27,765	-
83290	Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	(167,907)	(2)	-	-
83295	Gain (loss) on overlay approach measured at fair value through other comprehensive income	(133,078)	(2)	-	-
83280	Income tax benefit (expense) related to items that may be reclassified subsequently to profit or loss	39,589	-	(7,776)	-
83200	Total Items that may be reclassified subsequently to profit or loss	(259,266)	(4)	19,989	-
83000	Other Comprehensive Income(Loss), Net Of Tax	(273,788)	(4)	13,008	-
85000	Total Comprehensive Income (Loss) For The Year	\$ 361,447	5	\$ 684,267	10
97500	Earn(Loss) Per Share	\$ 3.17		\$ 3.35	

IV Management Team

Directors and Supervisors

Title	Name
Chairman	Chung-Chuan Wu
Director	Kevin Tu (Appointed 03.07.2018)
Director	P.H. Liao
Director	David Y.C. Cheng
Director	Hui-Ling Hsu
Director	Hung-Chou Chen
Director	H.Y. Tu
Director	Yu-Min Lian
Director	Ping-Yao Liao
Director	Hsieh-Liu Lee
Director	Nai-Wen Chang
Director	Shih-Yu Huang
Independent Director	Wei-Lung Chen (Appointed 03.07.2018)
Independent Director	Hsien-Feng Lee (Appointed 03.07.2018)
Independent Director	Shiu-Fen Lin (Appointed 27.08.2018)
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	Shih-Chi Lin
Executive Vice President	W.J.Chen (Appointed 03.11.2018)
Executive Vice President	Y.M. Hu (Appointed 03.11.2018)
Chief Auditor	Daniel H.H. Hsiao (Appointed 03.11.2018)
Chief Compliance Officer	Tsung-Cheng Kao
Vice President	M.S. Cheng
Vice President	J.K. Chen
Vice President	I Hsiung Chou
Vice President	Derek Hsu
Vice President	Sean S.Y. Tam (Appointed 05.11.2018)
Manager of Planning Dept.	Jesse Chang
Manager of Financial Dept.	Eileen Lo (Appointed 05.11.2018)
Manager of Investment Dept.	Antonio Huang (Appointed 01.04.2019)
Manager of Accounting Dept.	Janice Chen
Manager of Administration Dept.	W.C. Chang
Deputy Manager of Fire Dept.	Vicky Hsieh (Deputy 05.11.2018)
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.	Sean S.Y. Tam (Appointed 05.11.2018)
Manager of Accident & Health Dept.	Johnson Chen
Manager of Business I	W.C. Chuang
Manager of Business II	Jenny Hua



Head office	Name
Manager of Business III	Shih Chang Kuo
Manager of Business V	Lio Lu
Manager of Business VI	Pai-Chiang An
Deputy Manager of Information Service Dept.	Shu Ching Cheng (Deputy 01.07.2019)
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
Assistant Manager of International Unit	Wei-Hu Tsao
Secretary of Board of Directors	Chia-Hsiang Lu

IN Branch offices	Name
Manager of Offshore Insurance Branch Taipei	W.J.Chen (Appointed 25.10.2018)
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

V Office Address

Corporate Offices

Units	Address	Tel.
Headquarter	5F.6F., No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, Taiwan	886-2-2758-8418
	3F.4F.5F., No.176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan	886-2-2756-2200
	https://www.south-china.com.tw	
Call Center	5F., No.176, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan	886-2-2761-6969
Taipei Branch Office	18F., No.31, Sec. 2, Sanmin Rd., Banqiao Dist., New Taipei City, Taiwan	886-2-2954-7373
Taoyuan Branch Office	8F., No.332, Xianfu Rd., Taoyuan Dist., Taoyuan City, Taiwan	886-3-333-1412
Hsinchu Branch Office	No.161, Zhongyang Rd., Hsinchu City, Taiwan	886-3-532-4500
Taichung Branch Office	5F., No.698, Sec. 4, Wenxin Rd., Beitun Dist., Taichung City, Taiwan	886-4-2238-7818
Yuanlin Branch Office	3F., No.2, Sec. 2, Datong Rd., Yuanlin City, Changhua County, Taiwan	886-48-354-531
Tainan Branch Office	3F., No.154, Sec. 2, Yongfu Rd., West Central Dist., Tainan City, Taiwan	886-6-226-2131
Kaohsiung Branch Office	5F., No.78, Liuhe 1st Rd., Xinxing Dist., Kaohsiung City, Taiwan	886-7-238-0909
Offshore Insurance Branch Taipei	5F., No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei City, Taiwan	886-2-2756-2200
Chengchung Liaison Office	8F., No.3, Shaoxing N. St., Zhongzheng Dist., Taipei City, Taiwan	886-2-2321-3889
Chunglun Liaison Office	No.73, Sec. 4, Bade Rd., Songshan Dist., Taipei City, Taiwan	886-2-2761-3693
Shinlin Liaison Office	11F., No.192-1, Sec. 4, Chengde Rd., Shilin Dist., Taipei City, Taiwan	886-2-2883-7072
Nangang Liaison Office	No.140, Xinghua Rd., Nangang Dist., Taipei City, Taiwan	886-2-2788-6209



Units	Address	Tel.
Sanchung Liaison Office	Rm. B, 11F., No.66, Sec. 1, Chongyang Rd., Sanchong Dist., New Taipei City, Taiwan	886-2-2983-4455
Wenshan Liaison Office	No.45, Zhongyang Rd., Xindian Dist., New Taipei City, Taiwan	886-2-2218-1212
Shulin Liaison Office	No.258, Zhongzheng Rd., Shulin Dist., New Taipei City, Taiwan	886-2-2689-1008
Nankan Liaison Office	No.139, Nanshang Rd., Guishan Dist., Taoyuan City, Taiwan	886-3-222-5698
Chungli Liaison Office	No.175, Zhongyuan Rd., Zhongli Dist., Taoyuan City, Taiwan	886-3-434-5936
Toufen Liaison Office	No.403, Minzu Rd., Toufen Town, Miaoli County, Taiwan	886-37-613-889
Miaoli Liaison Office	No.365, Zhigong Rd., Miaoli City, Taiwan	886-37-337-557
Fengyuan Liaison Office	No.181, Zhongshan Rd., Fengyuan Dist., Taichung City, Taiwan	886-4-2529-0961
Minchuan Liaison Office	Rm. 503, No.102, Minquan Rd., Central Dist., Taichung City, Taiwan	886-4-2225-9285
Tachia Liaison Office	4F., No.10, Wenwu Rd., Dajia Dist., Taichung City, Taiwan	886-4-2688-2218
Shalu Liaison Office	4F., No.151-3, Zhonghua Rd., Qingshui Dist., Taichung City, Taiwan	886-4-2627-3299
Nantou Liaison Office	3F., No.236, Fuxing Rd., Nantou City, Taiwan	886-49-223-3706
Caotun Liaison Office	No.493, Bo-ai Rd., Caotun Town, Nantou County, Taiwan	886-49-236-7881
Changhua Liaison Office	No.300, Sec.1, Chung Shan Rd., Changhua City, Changhua County, Taiwan	886-4-711-5685
Lukang Liaison Office	No.90, Sec. 8, Zhanglu Rd., Lukang Township, Changhua County, Taiwan	886-4-778-0780

Units	Address	Tel.
Douliu Liaison Office	No.234, Juang Jing Rd., Douliu City, Yunlin County, Taiwan	886-5-532-3922
Chiayi Liaison Office	4F-3, No.762, Xinmin Rd., Chiayi City, Taiwan	886-5-286-4599
Xinying Liaison Office	No.304, Sec. 2, Xinjin Rd., Xinying Dist., Tainan City, Taiwan	886-6-656-2565
Rende Liaison Office	No.180, Zhongshan Rd., Rende Dist., Tainan City, Taiwan	886-6-249-0707
Xinxing Liaison Office	5F., No.61, Zhongzheng 3rd Rd., Xinxing Dist., Kaohsiung City, Taiwan	886-7-215-1998
Nanzi Liaison Office	No.292, Yuanzhong Rd., Nanzi Dist., Kaohsiung City, Taiwan	886-7-360-8220
Pingtung Liaison Office	1F., No.105, Ren'ai Rd., Pingtung City, Taiwan	886-8-735-3182
Fongshan Liaison Office	No.680, Chengqing Rd., Sanmin Dist., Kaohsiung City, Taiwan	886-7-767-6879
Taitung Liaison Office	No.396, Hanyang N. Rd., Taitung City, Taiwan	886-89-321-681
Hualien Liaison Office	No.12, Sec. 1, Heping Rd., Ji'an Township, Hualien County, Taiwan	886-3-856-0001
Luodong Liaison Office	1F., No.338-6, Gongzheng Rd., Luodong Town, Yilan County, Taiwan	886-3-956-5621
Keelung Liaison Office	4F., No.305, Ren 1st Rd., Keelung City, Taiwan	886-2-2420-1920
Shenzhen Rep Office	Room 709, Block C, Xintian Century Business Center, Shisha Beier Street, Futian District, Shenzhen City, Guangdong Province, China	86-755-82092345

專業 前瞻 創新 當責 熱情



華南金融集團

華南產物保險

SOUTH CHINA INSURANCE CO., LTD.

地址：台北市信義區忠孝東路四段560號5樓

5F., No.560, Sec. 4, Zhongxiao E. Rd., Xinyi Dist., Taipei, Taiwan

電話：(02)2758-8418

網址：<http://www.south-china.com.tw>