

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Retained earned premium				
Written premium	\$ 412,890,812	59	\$ 501,639,497	53
Reinsurance premium	<u>127,412</u>	-	<u>102,567</u>	-
Premium income	413,018,224	59	501,742,064	53
Less: Reinsurance expense	(2,832,249)	(1)	(2,639,962)	-
Net changes in unearned premium reserve	<u>(990,281)</u>	-	<u>(704,307)</u>	-
Total retained earned premium	409,195,694	58	498,397,795	53
Reinsurance commission income	526,992	-	387,942	-
Fee income	10,803,743	2	10,714,732	1
Net investment incomes (losses)				
Interest income	179,315,471	26	157,777,570	17
(Loss) gain on financial assets and liabilities at fair value through profit or loss	(448,906,906)	(64)	136,924,517	15
Gain on derecognition of financial assets measured at amortized cost	10,493,286	2	38,060,685	4
Realized gain on financial assets at fair value through other comprehensive income	3,175,819	-	29,456,079	3
Share of profit of associates accounted for using the equity method	2,180,141	-	1,712,701	-
Foreign exchange gain (loss)	298,139,826	43	(75,870,444)	(8)
Net changes in reserve for foreign exchange valuation	(40,449,731)	(6)	5,767,139	1
Gain on investment property	14,513,530	2	12,738,120	1
(Expected credit loss) reversal of expected credit loss on investments	(3,931,883)	(1)	1,627,302	-
Other net investment income	3,948,408	1	950,962	-
Gain on reclassification using overlay approach	252,818,402	36	39,802,554	4
Other operating revenue	8,726,100	1	8,754,025	1
Separate account insurance product income	<u>(933,202)</u>	-	<u>77,919,494</u>	8
Total operating revenue	<u>699,615,690</u>	<u>100</u>	<u>945,121,173</u>	<u>100</u>
OPERATING COSTS				
Retained claims payments				
Insurance claims payments	400,212,621	57	289,792,257	30
Less: Claims and payments recovered from reinsurers	<u>(1,702,029)</u>	-	<u>(1,942,014)</u>	-
Total retained claims payments	398,510,592	57	287,850,243	30

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	2022		2021	
	Amount	%	Amount	%
Net changes in other insurance liabilities				
Net changes in loss reserve	\$ 873,985	-	\$ (363,700)	-
Net changes in policy reserve	188,414,362	27	379,955,900	40
Net changes in special reserve	674	-	283	-
Net changes in premium deficiency reserve	(1,925,635)	-	(3,863,053)	-
Net changes in other reserve	(20,672)	-	(11,000)	-
Total net changes in other insurance liabilities	187,342,714	27	375,718,430	40
Net changes in reserve for insurance contracts with the nature of financial products	1,046,127	-	1,052,640	-
Underwriting expenses	15,076,322	2	16,441,121	2
Commission expenses	15,901,138	2	18,003,700	2
Finance costs	3,817,461	1	3,113,652	-
Other operating costs	6,729,312	1	8,055,769	1
Separate account insurance product expenses	(933,202)	-	77,919,494	8
Total operating costs	627,490,464	90	788,155,049	83
OPERATING EXPENSES				
General expenses	11,997,784	1	12,434,984	2
Administrative expenses	20,219,681	3	19,934,385	2
Employee training expenses	56,913	-	53,731	-
Non-investment expected credit loss	27,032	-	24,773	-
Total operating expenses	32,301,410	4	32,447,873	4
OPERATING INCOME	39,823,816	6	124,518,251	13
NON-OPERATING INCOME AND EXPENSES	1,858,515	-	1,563,137	-
PROFIT BEFORE INCOME TAX	41,682,331	6	126,081,388	13
INCOME TAX EXPENSE	(7,513,152)	(1)	(12,915,530)	(1)
NET INCOME	34,169,179	5	113,165,858	12

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CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE LOSS				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 59,596	-	\$ 1,345,381	-
Property revaluation surplus	-	-	286,073	-
(Loss) gain on equity instruments at fair value through other comprehensive income	(24,351,290)	(3)	7,307,076	1
Share of other comprehensive loss of associates accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	(804,397)	-	(55,895)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	366,827	-	105,120	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	3,441,271	-	(1,801,645)	-
Gain (loss) on hedging instruments	762,058	-	(13,681)	-
Loss on debt instruments at fair value through other comprehensive income	(85,336,187)	(12)	(73,570,902)	(8)
Share of other comprehensive income (loss) of associates accounted for using the equity method for items that may be reclassified subsequently to profit or loss	811,600	-	(930,948)	-
Other comprehensive loss reclassified using overlay approach	(252,818,402)	(36)	(39,802,554)	(4)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>33,620,687</u>	<u>5</u>	<u>15,537,788</u>	<u>1</u>
Total other comprehensive loss for the period, net of income tax	<u>(324,248,237)</u>	<u>(46)</u>	<u>(91,594,187)</u>	<u>(10)</u>
TOTAL COMPREHENSIVE (LOSS) INCOME	<u>\$(290,079,058)</u>	<u>(41)</u>	<u>\$ 21,571,671</u>	<u>2</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 33,667,168	5	\$ 112,230,795	12
Non-controlling interests	<u>502,011</u>	<u>-</u>	<u>935,063</u>	<u>-</u>
	<u>\$ 34,169,179</u>	<u>5</u>	<u>\$ 113,165,858</u>	<u>12</u>

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CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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	<u>2022</u>		<u>2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
TOTAL COMPREHENSIVE (LOSS) INCOME				
ATTRIBUTABLE TO:				
Owners of the Company	\$(290,617,468)	(41)	\$ 20,590,789	2
Non-controlling interests	<u>538,410</u>	<u>-</u>	<u>980,882</u>	<u>-</u>
	<u>\$(290,079,058)</u>	<u>(41)</u>	<u>\$ 21,571,671</u>	<u>2</u>
EARNINGS PER SHARE				
Basic earnings per share	<u>\$ 5.75</u>		<u>\$ 19.18</u>	

(Concluded)