

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Retained earned premium				
Written premium	\$ 404,104,777	55	\$ 412,890,812	59
Reinsurance premium	<u>121,264</u>	-	<u>127,412</u>	-
Premium income	404,226,041	55	413,018,224	59
Less: Reinsurance expense	(2,996,677)	-	(2,832,249)	(1)
Net changes in unearned premium reserve	<u>(1,111,785)</u>	-	<u>(990,281)</u>	-
Total retained earned premium	400,117,579	55	409,195,694	58
Reinsurance commission income	423,762	-	526,992	-
Fee income	11,728,148	2	10,803,743	2
Net investment incomes (losses)				
Interest income	196,876,566	27	179,315,471	26
Gain (loss) on financial assets and liabilities at fair value through profit or loss	121,873,352	16	(448,906,906)	(64)
Gain on derecognition of financial assets measured at amortized cost	3,094,909	-	10,493,286	2
Realized gain on financial assets at fair value through other comprehensive income	5,464,665	1	3,175,819	-
Share of profit of subsidiaries and associates accounted for using the equity method	2,092,756	-	2,180,141	-
Foreign exchange gain	2,123,875	-	298,139,826	43
Net changes in reserve for foreign exchange valuation	28,730,131	4	(40,449,731)	(6)
Gain on investment property	12,846,320	2	14,513,530	2
Expected credit loss on investments	(926,121)	-	(3,931,883)	(1)
Other net investment (loss) gain	(240,105)	-	3,948,408	1
(Loss) gain on reclassification using overlay approach	(118,647,734)	(16)	252,818,402	36
Other operating revenue	10,536,667	1	8,726,100	1
Separate account insurance product income (loss)	<u>56,586,267</u>	<u>8</u>	<u>(933,202)</u>	-
Total operating revenue	<u>732,681,037</u>	<u>100</u>	<u>699,615,690</u>	<u>100</u>

(Continued)

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	2023		2022	
	Amount	%	Amount	%
OPERATING COSTS				
Retained claims payments				
Insurance claims payments	\$ 431,190,640	59	\$ 400,212,621	57
Less: Claims and payments recovered from reinsurers	<u>(2,033,560)</u>	<u>-</u>	<u>(1,702,029)</u>	<u>-</u>
Total retained claims payments	429,157,080	59	398,510,592	57
Net changes in other insurance liabilities				
Net changes in loss reserve	561,183	-	873,985	-
Net changes in policy reserve	147,151,444	20	188,414,362	27
Net changes in special reserve	4,806	-	674	-
Net changes in premium deficiency reserve	(1,369,807)	-	(1,925,635)	-
Net changes in other reserve	<u>(11,000)</u>	<u>-</u>	<u>(20,672)</u>	<u>-</u>
Total net changes in other insurance liabilities	146,336,626	20	187,342,714	27
Net changes in reserve for insurance contracts with the nature of financial products	1,657,847	-	1,046,127	-
Underwriting expenses	14,987,647	2	15,076,322	2
Commission expenses	18,712,495	2	15,901,138	2
Finance costs	4,828,236	1	3,817,461	1
Other operating costs	7,812,575	1	6,729,312	1
Separate account insurance product expenses	<u>56,586,267</u>	<u>8</u>	<u>(933,202)</u>	<u>-</u>
Total operating costs	<u>680,078,773</u>	<u>93</u>	<u>627,490,464</u>	<u>90</u>
OPERATING EXPENSES				
General expenses	13,091,719	2	11,997,784	1
Administrative expenses	23,308,935	3	20,219,681	3
Employee training expenses	75,855	-	56,913	-
(Reversal of) expected credit loss on non-investment	<u>(12,003)</u>	<u>-</u>	<u>27,032</u>	<u>-</u>
Total operating expenses	<u>36,464,506</u>	<u>5</u>	<u>32,301,410</u>	<u>4</u>
OPERATING INCOME	16,137,758	2	39,823,816	6
NON-OPERATING INCOME AND EXPENSES	<u>2,753,295</u>	<u>-</u>	<u>1,858,515</u>	<u>-</u>
INCOME BEFORE INCOME TAX	18,891,053	2	41,682,331	6
INCOME TAX EXPENSE	<u>(2,124,645)</u>	<u>-</u>	<u>(7,513,152)</u>	<u>(1)</u>
NET INCOME	<u>16,766,408</u>	<u>2</u>	<u>34,169,179</u>	<u>5</u>

(Continued)

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 437,004	-	\$ 59,596	-
Gain (loss) on equity instruments at fair value through other comprehensive income	23,421,093	3	(24,351,290)	(3)
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	(620,009)	-	(804,397)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	24,485	-	366,827	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	97,255	-	3,441,271	-
(Loss) gain on hedging instruments	(550,032)	-	762,058	-
Gain (loss) on debt instruments at fair value through other comprehensive income	14,093,761	2	(85,336,187)	(12)
Share of other comprehensive income of associates accounted for using the equity method for items that may be reclassified subsequently to profit or loss	171,649	-	811,600	-
Other comprehensive income (loss) reclassified using overlay approach	118,647,734	16	(252,818,402)	(36)
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(10,876,955)</u>	<u>(1)</u>	<u>33,620,687</u>	<u>5</u>
Total other comprehensive income (loss) to remove, net of income tax	<u>144,845,985</u>	<u>20</u>	<u>(324,248,237)</u>	<u>(46)</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 161,612,393</u>	<u>22</u>	<u>\$ (290,079,058)</u>	<u>(41)</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 16,343,087	2	\$ 33,667,168	5
Non-controlling interests	<u>423,321</u>	<u>-</u>	<u>502,011</u>	<u>-</u>
	<u>\$ 16,766,408</u>	<u>2</u>	<u>\$ 34,169,179</u>	<u>5</u>

(Continued)

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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	<u>2023</u>		<u>2022</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 160,916,050	22	\$(290,617,468)	(41)
Non-controlling interests	<u>696,343</u>	<u>-</u>	<u>538,410</u>	<u>-</u>
	<u>\$ 161,612,393</u>	<u>22</u>	<u>\$(290,079,058)</u>	<u>(41)</u>
EARNINGS PER SHARE				
Basic earnings per share	<u>\$ 2.57</u>		<u>\$ 5.75</u>	

(Concluded)