

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax from continuing operations	\$ 71,880,489	\$ 19,671,835
Profit (loss) before income tax from discontinued operations	<u>2,514,676</u>	<u>(780,782)</u>
Profit before income tax	<u>74,395,165</u>	<u>18,891,053</u>
Adjustments for:		
Depreciation expenses	2,293,742	2,365,958
Amortization expenses	2,146,472	2,428,751
Loss (gain) on financial assets and liabilities at fair value through profit or loss	128,071,606	(106,859,204)
Realized gain on financial assets at fair value through other comprehensive income	(939,986)	(57,428)
Loss (gain) on derecognition of financial assets measured at amortized cost	504,299	(3,094,909)
Finance costs	7,687,723	4,958,528
Interest income	(207,313,263)	(196,876,566)
Dividend income	(18,008,365)	(20,421,385)
Net changes in insurance liabilities	216,918,607	148,490,976
Net changes in reserve for insurance contracts with the nature of financial products	3,336,897	5,028,730
Net changes in reserve for foreign exchange valuation	6,741,061	(28,730,131)
Expected credit loss on investments	1,838,259	926,121
Non-investments expected credit loss (reversal of expected credit loss)	20,697	(12,003)
Share of profit of associates and joint ventures accounted for using the equity method	(2,777,077)	(2,092,756)
Loss on reclassification using overlay approach	16,313,576	118,647,734
Loss (gain) on disposal and retirement of property and equipment	723	(4,656)
Gain on disposal of subsidiary and other	(2,636,626)	(398)
Gain on disposal of investment property	-	(10,598)
(Gain) loss on disposal of investments accounted for using the equity method	(6,766)	280,823
(Gain) loss on changes in fair value of investment property	(587,594)	227,669
Compensation costs of share-based payments	-	5,914
Net changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	164,278,126	72,709,620
Increase in financial assets at fair value through other comprehensive income	(79,724,172)	(88,967,683)
Increase in financial assets measured at amortized cost	(275,972,922)	(54,340,325)
Increase in financial assets for hedging	(74,149)	(508,973)
(Increase) decrease in notes receivable	(20,464)	5,794
Increase in other receivables	(27,638,099)	(14,228,670)
Increase in prepaid expenses and other prepayments	(1,267,392)	(193,640)
(Increase) decrease in guarantee deposits paid	(49,771,917)	27,186,981
(Increase) decrease in reinsurance assets	(398,312)	56,681
Decrease (increase) in other assets	815,325	(3,106,400)

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Decrease in financial liabilities at fair value through profit or loss	\$(301,256,492)	\$(247,037,215)
Decrease in financial liabilities for hedging	(466,338)	(1,690,367)
Increase in notes payable	91,990	141,878
Increase in claims payable	34,956	58,960
Increase (decrease) in other payables	10,123,357	(1,057,477)
(Decrease) increase in due to reinsurers and ceding companies	(328,527)	112,836
Increase (decrease) in commissions payable	1,143,630	(32,497)
(Decrease) increase in advance receipts	(36,343)	29,193
(Decrease) increase in guarantee deposits received	(12,686,395)	12,054,525
(Decrease) increase in deferred fee income	(54,886)	354,315
Increase (decrease) in other liabilities	<u>11,894,120</u>	<u>(1,560,224)</u>
Cash used in operations	(333,315,754)	(355,920,465)
Interest received	203,062,994	193,619,216
Dividends received	18,753,822	21,204,563
Interest paid	(4,970,095)	(3,244,971)
Income tax refunded (paid)	<u>7,456,441</u>	<u>(908,315)</u>
Net cash used in operating activities	<u>(109,012,592)</u>	<u>(145,249,972)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using the equity method	(3,761,119)	-
Proceeds from disposal of investments accounted for using the equity method	26,520	-
Acquisition of subsidiaries (net of cash acquired)	-	(238,286)
Disposal of subsidiary	(3,787,537)	30,744
Proceeds from return of capital on reduction of investments accounted for using the equity method	291,320	10,729
Acquisition of property and equipment	(2,315,454)	(2,549,560)
Proceeds from disposal of property and equipment	505	21,440
Acquisition of intangible assets	(282,279)	(247,380)
Decrease in loans	1,442,264	46,765,677
Acquisition of investment property	(16,563,310)	(12,380,488)
Proceeds from disposal of investment property	<u>-</u>	<u>134,892</u>
Net cash (used in) generated from investing activities	<u>(24,949,090)</u>	<u>31,547,768</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in other financial liabilities	22,650,405	641,644
Repayments of the principal portion of lease liabilities	(629,235)	(1,009,473)
Proceeds from issuance of bonds	79,739,712	34,986,835
Acquisition of additional interests in subsidiaries	-	(667,490)
Changes in non-controlling interests	<u>(335,896)</u>	<u>(266,704)</u>
Net cash generated from financing activities	<u>101,424,986</u>	<u>33,684,812</u>

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EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	\$ (2,045,460)	\$ 1,626,138
NET DECREASE IN CASH AND CASH EQUIVALENTS	(34,582,156)	(78,391,254)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>251,247,088</u>	<u>329,638,342</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 216,664,932</u>	<u>\$ 251,247,088</u>

The accompanying notes are an integral part of the consolidated financial statements.

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