

**Cathay Life Insurance Co., Ltd. and
Subsidiaries**

**Consolidated Financial Statements for the
Nine Months Ended September 30, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Cathay Life Insurance Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Cathay Life Insurance Co., Ltd. and its subsidiaries (collectively, the "Group") as of September 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2025 and 2024, its consolidated financial performance for the three months ended September 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Shu-Wan Lin and Shiu-Ran Cheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 13, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2025		December 31, 2024		September 30, 2024	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 36)	\$ 335,469,609	4	\$ 216,664,932	2	\$ 504,133,674	6
RECEIVABLES (Notes 4, 5, 7 and 36)	120,299,098	1	134,320,811	2	118,772,484	1
CURRENT TAX ASSETS (Note 4)	108,291	-	9,874	-	36,572	-
INVESTMENTS						
Financial assets at fair value through profit or loss (Notes 4, 5, 8, 36 and 41)	1,778,932,517	20	1,726,152,402	19	1,562,899,728	18
Financial assets at fair value through other comprehensive income (Notes 4, 5, 9, 36, 39 and 41)	798,454,577	9	647,793,931	7	624,597,628	7
Financial assets measured at amortized cost (Notes 4, 5, 14, 36, 39 and 41)	3,963,995,969	44	4,320,018,167	48	4,188,373,707	47
Financial assets for hedging (Notes 4, 5 and 10)	2,795,544	-	6,615	-	97,974	-
Investments accounted for using the equity method (Notes 4, 13 and 39)	59,497,660	1	59,531,996	1	55,568,482	1
Investment property (Notes 4, 5, 15 and 36)	552,977,305	6	545,007,264	6	540,440,819	6
Investment property under construction (Notes 4, 15 and 36)	22,332,426	-	14,779,174	-	17,352,008	-
Prepayments for buildings and land - investments (Notes 4 and 15)	1,333,839	-	1,097,313	-	1,536,370	-
Loans (Notes 4, 5, 16 and 36)	416,805,240	4	402,349,780	4	392,659,998	4
Total investments	7,597,125,077	84	7,716,736,642	85	7,383,526,714	83
REINSURANCE ASSETS (Notes 4, 17 and 25)	1,700,358	-	2,321,984	-	1,964,335	-
PROPERTY AND EQUIPMENT (Notes 4, 18 and 39)	41,134,350	-	41,132,343	-	40,897,186	-
RIGHT-OF-USE ASSETS (Notes 4, 19 and 36)	1,448,536	-	1,403,664	-	1,487,928	-
INTANGIBLE ASSETS (Notes 4 and 20)	21,514,793	-	22,810,143	-	23,276,444	-
DEFERRED TAX ASSETS (Note 4)	87,029,433	1	77,042,155	1	55,800,828	1
OTHER ASSETS (Notes 21, 36 and 39)	69,016,044	1	90,980,568	1	36,978,006	-
SEPARATE ACCOUNT INSURANCE PRODUCT ASSETS (Notes 4 and 37)	800,857,006	9	790,958,446	9	778,838,365	9
TOTAL	\$ 9,075,702,595	100	\$ 9,094,381,562	100	\$ 8,945,712,536	100
LIABILITIES AND EQUITY						
PAYABLES (Notes 22 and 36)	\$ 54,603,831	1	\$ 32,590,526	1	\$ 23,141,232	-
CURRENT TAX LIABILITIES (Note 4)	460,301	-	301,899	-	404,832	-
SHORT-TERM DEBT (Note 23)	1,470,097	-	-	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 5, 8 and 41)	38,085,972	-	70,517,679	1	6,524,481	-
FINANCIAL LIABILITIES FOR HEDGING (Notes 4, 5 and 10)	524,846	-	2,591,575	-	1,332,408	-
BONDS PAYABLE (Notes 24 and 36)	192,396,964	2	195,257,330	2	193,927,725	2
OTHER FINANCIAL LIABILITIES (Note 41)	59,058,139	1	30,325,544	-	7,769,618	-
INSURANCE LIABILITIES (Notes 4, 5 and 25)						
Unearned premium reserve	23,269,493	-	23,210,123	-	21,947,794	1
Loss reserve	15,353,514	-	15,257,619	-	14,142,466	-
Policy reserve	6,985,142,705	77	7,034,523,396	78	6,952,160,690	78
Special reserve	25,801	-	11,106,980	-	11,104,150	-
Premium deficiency reserve	5,573,549	-	5,719,451	-	6,353,197	-
Other reserve	100,394	-	1,818,394	-	1,831,756	-
Total insurance liabilities	7,029,465,456	77	7,091,635,963	78	7,007,540,053	79
RESERVE FOR INSURANCE CONTRACTS WITH THE NATURE OF FINANCIAL PRODUCTS (Notes 4 and 26)	27,966,562	-	26,861,096	-	26,586,555	-
RESERVE FOR FOREIGN EXCHANGE VALUATION (Notes 4 and 27)	55,802,220	1	27,514,387	-	43,563,371	1
PROVISIONS (Notes 4 and 29)	56,245	-	56,245	-	56,245	-
LEASE LIABILITIES (Notes 4, 19 and 36)	16,117,149	-	15,874,291	-	15,981,749	-
DEFERRED TAX LIABILITIES (Note 4)	48,248,050	1	75,022,985	1	61,578,754	1
OTHER LIABILITIES (Notes 30 and 36)	12,456,133	-	17,200,198	-	22,718,946	-
SEPARATE ACCOUNT INSURANCE PRODUCT LIABILITIES (Notes 4 and 37)	800,857,006	9	790,958,446	9	778,838,365	9
Total liabilities	8,337,568,971	92	8,376,708,164	92	8,189,964,334	92
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 32)						
Share capital						
Ordinary shares	63,515,274	1	63,515,274	1	63,515,274	1
Capital surplus	91,914,041	1	91,938,672	1	91,902,870	1
Retained earnings						
Legal reserve	72,298,082	1	58,377,758	1	58,377,758	1
Special reserve	545,379,476	6	491,399,453	5	489,698,181	5
Unappropriated earnings	40,760,855	-	67,900,347	1	69,836,043	1
Total retained earnings	658,438,413	7	617,677,558	7	617,911,982	7
Other equity	(86,989,602)	(1)	(68,634,431)	(1)	(28,940,603)	(1)
Total equity attributable to owners of the Company	726,878,126	8	704,497,073	8	744,389,523	8
NON-CONTROLLING INTERESTS (Notes 4, 32 and 46)	11,255,498	-	13,176,325	-	11,358,679	-
Total equity	738,133,624	8	717,673,398	8	755,748,202	8
TOTAL	\$ 9,075,702,595	100	\$ 9,094,381,562	100	\$ 8,945,712,536	100

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

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Retained earned premium (Notes 4, 28 and 36)	\$ 110,665,837	49	\$ 111,801,402	53	\$ 336,016,897	60	\$ 302,850,467	49
Written premium	(3,873)	-	22,065	-	(28,193)	-	76,477	-
Reinsurance premium								
Premium income	110,661,964	49	111,823,467	53	335,988,704	60	302,926,944	49
Less: Reinsurance expense	(780,582)	-	(740,255)	-	(2,088,553)	(1)	(1,977,033)	-
Net changes in unearned premium reserve (Notes 4 and 25)	(55,809)	-	(466,511)	-	(75,867)	-	(567,228)	-
Total retained earned premium	109,825,573	49	110,616,701	53	333,824,284	59	300,382,683	49
Reinsurance commission income	148,232	-	45,835	-	154,324	-	61,475	-
Fee income (Notes 36 and 37)	3,097,170	1	3,504,927	2	9,776,941	2	9,902,641	2
Net investment incomes (losses)								
Interest income (Notes 4, 34 and 36)	50,735,802	22	52,561,638	25	155,085,827	28	154,045,314	25
Gain on financial assets and liabilities at fair value through profit or loss (Notes 4 and 8)	40,606,642	18	100,995,310	48	201,228,214	36	35,178,048	6
(Loss) gain on derecognition of financial assets measured at amortized cost (Notes 4 and 14)	(137,258)	-	(668,033)	-	1,905,874	-	(584,592)	-
Realized gain on financial assets at fair value through other comprehensive income (Notes 4 and 9)	4,673,745	2	5,263,408	2	6,881,952	1	6,939,144	1
Share of profit of associates and joint ventures accounted for using the equity method (Notes 4 and 13)	753,384	-	628,056	-	2,525,212	1	1,888,791	-
Foreign exchange gain (loss)	60,662,816	27	(81,674,285)	(39)	(230,053,485)	(41)	96,875,282	16
Net changes in reserve for foreign exchange valuation (Notes 4 and 27)	618,661	-	(4,995,383)	(2)	(13,654,404)	(2)	(22,790,045)	(4)
Gain on investment property (Notes 4, 15 and 36)	4,160,900	2	3,250,622	2	18,746,401	3	11,751,202	2
Expected credit loss on investments (Notes 4 and 34)	(945,759)	-	(207,551)	-	(1,563,639)	-	(1,065,883)	-
Other net investment income	82,146	-	16,103	-	425,435	-	132,960	-
(Loss) gain on reclassification using overlay approach (Notes 4 and 8)	(84,653,340)	(37)	4,739,211	2	30,538,528	5	(34,252,831)	(6)
Other operating revenue (Note 36)	469,415	-	486,621	-	1,247,169	-	1,237,701	-
Separate account insurance product income (Notes 4 and 37)	36,886,491	16	14,825,308	7	46,352,885	8	55,249,951	9
Total operating revenue	226,984,620	100	209,388,488	100	563,421,518	100	614,951,841	100

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CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING COSTS								
Retained claims payments (Notes 4, 28 and 36)	\$ 95,202,489	42	\$ 123,174,675	59	\$ 336,461,541	60	\$ 346,421,383	56
Insurance claims payments								
Less: Claims and payments recovered from reinsurers	(411,628)	-	(553,133)	-	(1,095,375)	-	(1,586,077)	-
Total retained claims payments	94,790,861	42	122,621,542	59	335,366,166	60	344,835,306	56
Net changes in other insurance liabilities (Notes 4, 5 and 25)	(393,225)	-	44,274	-	177,007	-	800,315	-
Net changes in loss reserve								
Net changes in policy reserve	57,780,949	26	26,232,397	12	76,552,322	14	76,711,939	12
Net changes in special reserve	(22,871)	-	6,749	-	2,145	-	13,611	-
Net changes in premium deficiency reserve	905,831	-	(267,444)	-	(83,326)	-	(459,833)	-
Net changes in other reserve	(6,000)	-	(2,497)	-	(18,000)	-	(2,497)	-
Total net changes in other insurance liabilities	58,264,684	26	26,013,479	12	76,630,148	14	77,063,535	12
Net changes in reserve for insurance contracts with the nature of financial products (Notes 4 and 26)	564,932	-	532,413	-	1,578,169	-	1,600,150	-
Underwriting expenses (Note 34)	3,593,101	1	3,644,877	2	11,610,218	2	11,893,200	2
Commission expenses (Note 34)	6,680,993	3	5,262,076	2	18,587,939	3	15,996,983	3
Finance costs (Notes 24 and 36)	2,887,091	1	2,098,458	1	8,455,859	1	5,116,353	1
Other operating costs (Note 36)	2,274,334	1	2,163,232	1	6,653,389	1	5,994,973	1
Separate account insurance product expenses (Notes 4 and 37)	36,886,491	16	14,825,308	7	46,352,885	8	55,249,951	9
Total operating costs	205,942,487	90	177,161,385	84	505,234,773	89	517,750,451	84
OPERATING EXPENSES								
(Notes 34 and 36)								
General expenses	4,381,519	2	3,948,754	2	13,706,945	3	11,277,831	2
Administrative expenses	4,404,288	2	4,124,361	2	12,938,027	2	11,758,553	2
Employee training expenses	19,930	-	24,360	-	50,941	-	51,540	-
(Reversal of) expected credit loss on non-investments (Notes 4 and 34)	(39,661)	-	(18,724)	-	(790)	-	11,843	-
Total operating expenses	8,766,076	4	8,078,751	4	26,695,123	5	23,099,767	4

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CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING INCOME	\$ 12,276,057	6	\$ 24,148,352	12	\$ 31,491,622	6	\$ 74,101,623	12
NON-OPERATING INCOME AND EXPENSES (Notes 34 and 36)	487,418	-	540,815	-	1,785,806	-	1,765,214	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	12,763,475	6	24,689,167	12	33,277,428	6	75,866,837	12
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 35)	2,733,710	1	(5,575,278)	(3)	1,226,592	-	(9,445,070)	(1)
NET PROFIT FROM CONTINUING OPERATIONS	15,497,185	7	19,113,889	9	34,504,020	6	66,421,767	11
PROFIT FROM DISCONTINUED OPERATIONS (Note 11)	-	-	-	-	-	-	1,023,944	-
NET PROFIT	15,497,185	7	19,113,889	9	34,504,020	6	67,445,711	11
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 32)								
Items that will not be reclassified subsequently to profit or loss:								
Gain (loss) on equity instruments at fair value through other comprehensive income	5,159,580	2	(2,986,443)	(1)	3,959,208	1	20,229,327	3
Share of other comprehensive income of associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	66,943	-	385,765	-	188,486	-	215,156	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Notes 4 and 35)	(214,141)	-	(266,372)	-	91,610	-	(196,061)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	917,406	1	1,381,619	1	(4,645,612)	(1)	3,352,735	1
(Loss) gain on hedging instruments	(1,418,710)	(1)	468,619	-	(123,622)	-	(284,023)	-
Gain on debt instruments at fair value through other comprehensive income	11,080,260	5	22,867,004	11	23,328,851	4	5,454,392	1

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CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	\$ 36,636	-	\$ 389,184	-	\$ (1,170,959)	-	\$ 1,291,950	-
Other comprehensive income (loss) reclassified using overlay approach	84,653,340	37	(4,739,211)	(2)	(30,538,528)	(5)	34,252,831	6
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 35)	<u>(5,645,382)</u>	<u>(2)</u>	<u>(5,906,068)</u>	<u>(3)</u>	<u>(4,651,763)</u>	<u>(1)</u>	<u>(4,953,974)</u>	<u>(1)</u>
Total other comprehensive income (loss) for the period, net of income tax	<u>94,635,932</u>	<u>42</u>	<u>11,594,097</u>	<u>6</u>	<u>(13,562,329)</u>	<u>(2)</u>	<u>59,362,333</u>	<u>10</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 110,133,117</u>	<u>49</u>	<u>\$ 30,707,986</u>	<u>15</u>	<u>\$ 20,941,691</u>	<u>4</u>	<u>\$ 126,808,044</u>	<u>21</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 15,197,022	7	\$ 18,556,312	9	\$ 34,519,572	6	\$ 67,110,054	11
Non-controlling interests	<u>300,163</u>	<u>-</u>	<u>557,577</u>	<u>-</u>	<u>(15,552)</u>	<u>-</u>	<u>335,657</u>	<u>-</u>
	<u>\$ 15,497,185</u>	<u>7</u>	<u>\$ 19,113,889</u>	<u>9</u>	<u>\$ 34,504,020</u>	<u>6</u>	<u>\$ 67,445,711</u>	<u>11</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ 110,933,005	49	\$ 29,824,256	14	\$ 22,473,227	4	\$ 124,038,826	20
Non-controlling interests	<u>(799,888)</u>	<u>-</u>	<u>883,730</u>	<u>1</u>	<u>(1,531,536)</u>	<u>-</u>	<u>2,769,218</u>	<u>1</u>
	<u>\$ 110,133,117</u>	<u>49</u>	<u>\$ 30,707,986</u>	<u>15</u>	<u>\$ 20,941,691</u>	<u>4</u>	<u>\$ 126,808,044</u>	<u>21</u>
EARNINGS PER SHARE								
(Note 33)								
From continuing and discontinued operations								
Basic earnings per share	<u>\$ 2.39</u>		<u>\$ 2.92</u>		<u>\$ 5.43</u>		<u>\$ 10.57</u>	
From continuing operations								
Basic earnings per share	<u>\$ 2.39</u>		<u>\$ 2.92</u>		<u>\$ 5.43</u>		<u>\$ 10.41</u>	

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

(Concluded)

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company													Other Equity		
	Share Capital Ordinary Shares	Capital Surplus	Retained Earnings				Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Gain (Loss) on Hedging Instruments	Remeasurement of Defined Benefit Plans	Property Revaluation Surplus	Other Comprehensive Income (Loss) on Reclassification Using Overlay Approach	Others	Total	Non-controlling Interests	Total Equity
			Capital	Legal Reserve	Special Reserve	Unappropriated Earnings										
BALANCE ON JANUARY 1, 2024	\$ 63,515,274	\$ 91,588,303	\$ 55,071,783	\$ 478,075,900	\$ 14,928,256	\$ (10,989,545)	\$ (13,995,150)	\$ 510,499	\$ 1,690,843	\$ 405,764	\$ (60,621,148)	\$ (1,762,024)	\$ 618,418,755	\$ 9,456,250	\$ 627,875,005	
Appropriation of 2023 earnings																
Legal reserve	-	-	3,305,975	-	(3,305,975)	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	22,622,909	(22,622,909)	-	-	-	-	-	-	-	-	-	-	-
Special reserve offset deficits	-	-	-	(5,488,104)	5,488,104	-	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(5,512,524)	5,512,524	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus/unappropriated earnings from investments in associates and joint ventures accounted for using the equity method	-	314,567	-	-	(135,700)	-	(8,949)	-	-	-	-	-	-	169,918	-	169,918
Disposals of investments in subsidiaries accounted for using the equity method	-	-	-	-	94	-	(94)	-	-	-	-	-	1,762,024	1,762,024	-	1,762,024
Net profit for the nine months ended September 30, 2024	-	-	-	-	67,110,054	-	-	-	-	-	-	-	67,110,054	335,657	67,445,711	
Other comprehensive income (loss) for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	4,147,050	24,627,490	(221,100)	223	(3,706)	28,378,815	-	56,928,772	2,433,561	59,362,333	
Total comprehensive income (loss) for the nine months ended September 30, 2024	-	-	-	-	67,110,054	4,147,050	24,627,490	(221,100)	223	(3,706)	28,378,815	-	124,038,826	2,769,218	126,808,044	
Disposals of equity instruments at fair value through other comprehensive income (loss)	-	-	-	-	-	2,861,595	-	(2,861,595)	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(866,789)	(866,789)
BALANCE ON SEPTEMBER 30, 2024	<u>\$ 63,515,274</u>	<u>\$ 91,902,870</u>	<u>\$ 58,377,758</u>	<u>\$ 489,698,181</u>	<u>\$ 69,836,043</u>	<u>\$ (6,842,495)</u>	<u>\$ 7,761,702</u>	<u>\$ 289,399</u>	<u>\$ 1,691,066</u>	<u>\$ 402,058</u>	<u>\$ (32,242,333)</u>	<u>\$ -</u>	<u>\$ 744,389,523</u>	<u>\$ 11,358,679</u>	<u>\$ 755,748,202</u>	
BALANCE ON JANUARY 1, 2025	\$ 63,515,274	\$ 91,938,672	\$ 58,377,758	\$ 491,399,453	\$ 67,900,347	\$ (7,683,958)	\$ (14,052,961)	\$ (354,267)	\$ 4,132,850	\$ 402,058	\$ (51,078,153)	\$ -	\$ 704,497,073	\$ 13,176,325	\$ 717,673,398	
Appropriation of 2024 earnings																
Legal reserve	-	-	13,920,324	-	(13,920,324)	-	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	59,324,090	(59,324,090)	-	-	-	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(5,344,067)	5,344,067	-	-	-	-	-	-	-	-	-	-	-
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	(16,311)	-	-	1,115	-	(1,115)	-	-	-	-	-	-	(16,311)	-	(16,311)
Recognition of share-based payments granted by the parent company	-	(8,320)	-	-	(67,543)	-	-	-	-	-	-	-	-	(75,863)	(310,237)	(386,100)
Net profit for the nine months ended September 30, 2025	-	-	-	-	34,519,572	-	-	-	-	-	-	-	-	34,519,572	(15,552)	34,504,020
Other comprehensive (loss) income for the nine months ended September 30, 2025, net of income tax	-	-	-	-	-	(5,028,051)	23,004,922	(97,721)	312	-	(29,925,807)	-	-	(12,046,345)	(1,515,984)	(13,562,329)
Total comprehensive income (loss) for the nine months ended September 30, 2025	-	-	-	-	34,519,572	(5,028,051)	23,004,922	(97,721)	312	-	(29,925,807)	-	-	22,473,227	(1,531,536)	20,941,691
Disposals of equity instruments at fair value through other comprehensive income	-	-	-	-	-	6,307,711	-	(6,307,711)	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(79,054)	(79,054)
BALANCE ON SEPTEMBER 30, 2025	<u>\$ 63,515,274</u>	<u>\$ 91,914,041</u>	<u>\$ 72,298,082</u>	<u>\$ 545,379,476</u>	<u>\$ 40,760,855</u>	<u>\$ (12,712,009)</u>	<u>\$ 2,643,135</u>	<u>\$ (451,988)</u>	<u>\$ 4,133,162</u>	<u>\$ 402,058</u>	<u>\$ (81,003,960)</u>	<u>\$ -</u>	<u>\$ 726,878,126</u>	<u>\$ 11,255,498</u>	<u>\$ 738,133,624</u>	

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

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax from continuing operations	\$ 33,277,428	\$ 75,866,837
Profit before income tax from discontinued operations	-	2,514,676
Profit before income tax	<u>33,277,428</u>	<u>78,381,513</u>
Adjustments for:		
Depreciation expenses	1,723,711	1,709,414
Amortization expenses	1,493,070	1,599,188
Gain on financial assets and liabilities at fair value through profit or loss	(188,888,372)	(24,972,222)
Gain on financial assets at fair value through other comprehensive income	(785,414)	(768,365)
(Gain) loss on derecognition of financial assets measured at amortized cost	(1,905,874)	584,592
Interest expense	9,096,648	5,284,483
Interest income	(155,085,827)	(154,078,965)
Dividend income	(18,436,380)	(16,436,192)
Net changes in insurance liabilities	(47,524,637)	132,815,865
Net changes in reserve for insurance contracts with the nature of financial products	1,105,466	3,062,356
Net changes in reserve for foreign exchange valuation	13,654,404	22,790,045
Expected credit loss on investments	1,563,639	1,065,883
Non-investments (reversal of expected credit loss) expected credit loss	(790)	11,843
Share of profit of associates and joint ventures	(2,525,212)	(1,888,791)
(Gain) loss on reclassification using overlay approach	(30,538,528)	34,252,831
Loss (gain) on disposal and retirement of property and equipment	467	(342)
Gain on disposal of investment accounted for using the equity method	-	(4,023)
Gain on disposal of subsidiary and others	(105,118)	(2,636,994)
Gain on changes in fair value of investment property	(8,209,191)	(1,839,327)
Net changes in operating assets and liabilities		
Decrease in financial assets at fair value through profit or loss	238,232,202	337,217,479
Increase in financial assets at fair value through other comprehensive income	(122,740,954)	(29,314,190)
Decrease (increase) in financial assets measured at amortized cost	354,911,776	(145,138,255)
Increase in financial assets for hedging	(2,780,451)	(75,528)
Decrease in notes receivable	72,495	71,428
Decrease (increase) in other receivables	854,122	(15,349,401)
Increase in prepaid expenses and other prepayments	(44,026)	(751,552)
Decrease in guarantee deposits paid	20,446,822	395,925
Decrease (increase) in reinsurance assets	617,079	(31,814)
(Increase) decrease in other assets	(7,991)	978,439
Decrease in financial liabilities at fair value through profit or loss	(142,887,602)	(221,127,288)

(Continued)

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
Decrease in financial liabilities for hedging	\$ (2,198,829)	\$ (1,010,853)
Decrease in notes payable	(890,850)	(34,165)
(Decrease) increase in claims payable	(7,955)	27,768
(Decrease) increase in other payables	(6,040,141)	967,360
(Decrease) increase in due to reinsurers and ceding companies	(200,182)	62,464
Increase (decrease) in commissions payable	642,690	(126,682)
Increase in advance receipts	15,990	267,439
Increase in guarantee deposits received	3,353,672	1,481,524
Decrease in deferred fee income	(37,086)	(20,031)
(Decrease) increase in other liabilities	<u>(8,076,641)</u>	<u>2,906,312</u>
Cash (used in) generated from operations	(58,856,370)	10,329,171
Interest received	154,916,077	151,755,531
Dividends received	19,895,684	17,181,649
Interest paid	(8,151,537)	(3,119,712)
Income tax (paid) refunded	<u>(1,743,504)</u>	<u>8,118,201</u>
Net cash generated from operating activities	<u>106,060,350</u>	<u>184,264,840</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments accounted for using the equity method	-	6,580
Proceeds from return of capital on reduction of investments accounted for using the equity method	206,578	51,766
Disposal of subsidiary, net of cash disposed of	-	(4,039,745)
Acquisition of property and equipment	(1,330,285)	(1,615,982)
Proceeds from disposal of property and equipment	43	43
Acquisition of intangible assets	(199,451)	(200,783)
(Increase) decrease in loans	(15,372,571)	11,260,778
Acquisition of investment property	<u>(8,018,520)</u>	<u>(12,595,408)</u>
Net cash used in investing activities	<u>(24,714,206)</u>	<u>(7,132,751)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in commercial papers payable	1,470,097	-
Increase in other financial liabilities	28,331,567	94,479
Repayments of the principal portion of lease liabilities	(471,588)	(518,911)
Proceeds from issuance of bonds	-	79,739,712
Acquisition of additional interests in subsidiaries	(386,100)	-
Changes in non-controlling interests	<u>(79,054)</u>	<u>(335,896)</u>
Net cash generated from financing activities	<u>28,864,922</u>	<u>78,979,384</u>

(Continued)

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Nine Months Ended September 30	
	2025	2024
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>\$ 8,593,611</u>	<u>\$ (3,224,887)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	118,804,677	252,886,586
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>216,664,932</u>	<u>251,247,088</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 335,469,609</u>	<u>\$ 504,133,674</u>

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

(Concluded)

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Cathay Life Insurance Co., Ltd. (the “Company”) was incorporated in Taiwan on October 23, 1962, under the Company Act of the Republic of China (“ROC”) and mainly engages in the business of life insurance. In order to benefit from operation synergies and enhance the competitiveness in financial markets, Cathay Financial Holding Co., Ltd. (“Cathay Financial Holdings”) was incorporated on December 31, 2001 through a share swap with the Company, and the Company became a wholly-owned subsidiary of Cathay Financial Holdings. The Company’s registered office and the main business location is at No. 296, Ren Ai Road, Section 4, Taipei, ROC.

The Company participated in and won the bid for assets, liabilities and operations of Global Life Insurance Co., Ltd. (“Global Life”) and Singfor Life Insurance Co., Ltd. (“Singfor Life”), which was held by Taiwan Insurance Guaranty Fund. The Company entered into the general assignment and assumption agreement on March 27, 2015. The Company assumed all assets, liabilities and operations of Global Life and Singfor Life except for their reserved assets and liabilities on July 1, 2015. Upon the approval by the authorities, the Company started its operations on August 5, 2015 after receiving the business license for its offshore insurance unit.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors and authorized for issue on November 13, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Identification of related parties (expected to be applied from the consolidated financial statements for fiscal year 2025)

In accordance with the Q&A “Identification of Related Parties” issued by the Accounting Research and Development Foundation (ARDF) in June 2025, the Group has reassessed its relationship with its managed funds to determine whether it exercises control or significant influence, or if it solely provides key management services to them. As a result, the Group may revise the previous identification of related parties based on the Q&A issued by the ARDF in July 2013. The assessment is currently in progress. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 needs not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

1) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- a) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
 - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
 - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- b) To clarify that a financial asset has non-recourse features if an entity’s ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
- c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

2) IFRS 17 “Insurance Contracts” and its amendments

IFRS 17 sets out the accounting standards for insurance contracts and it will supersede IFRS 4. The main standards and amendments of IFRS 17 are as follows:

Level of aggregation

IFRS 17 requires the Group to identify portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. The Group should divide a portfolio of insurance contracts issued into a minimum of:

- a) A group of contracts that are onerous at initial recognition;
- b) A group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- c) A group of the remaining contracts in the portfolio.

The Group should not include contracts issued more than one year apart in the same group, and the recognition and measurements of IFRS 17 should be applied to all identified groups of contracts.

Recognition

The Group should recognize a group of insurance contracts it issues from the earliest of the following:

- a) The beginning of the coverage period of the group of contracts;
- b) The date when the first payment from a policyholder in the group becomes due; and
- c) For a group of onerous contracts, when the group becomes onerous.

Measurement on initial recognition

On initial recognition, the Group should measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise estimates of future cash flows, an adjustment to reflect the time value of money and financial risk related to the future cash flows, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit for the group of insurance contracts that the Group will recognize as it provides insurance contract services in the future. Unless a group of contracts is onerous, the Group should measure the contractual service margin on initial recognition of the group of insurance contracts at an amount that results in no income or expenses arising from:

- a) The initial recognition of an amount for the fulfilment cash flows;
- b) Any cash flows arising from the contracts in the group at that date; and
- c) The derecognition at the date of initial derecognition of:
 - i. Any assets for insurance acquisition cash flows;
 - ii. Any other asset or liability previously recognized for cash flows related to the group of contracts.

Subsequent measurement

The carrying amount of a group of insurance contracts at the end of each reporting period should be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin; the liability for incurred claims comprises the fulfilment cash flows related to past services. If a group of insurance contracts becomes onerous (or more onerous) on subsequent measurement, the Group should recognize a loss immediately in profit or loss.

Onerous contracts

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contracts, any previously recognized insurance acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow. The Group should recognize a loss in profit or loss for the net outflow for the group of onerous contracts, resulting in the carrying amount of the liability for the group of onerous contracts being equal to the fulfilment cash flows and the contractual service margin of the group being zero. Before the loss previously recognized on the onerous group is reversed, the Group should not recognize contractual service margin or insurance revenue.

Premium Allocation Approach (PAA)

The Group may simplify the measurement of a group of insurance contracts using the PAA if, and only if, at the inception of the group:

- a) The Group reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the one that would be produced by applying the general measurement model; or
- b) The coverage period of each contract in the group is one year or less.

At the inception of the group, if the Group expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for remaining coverage during the period before a claim is incurred, the above-mentioned criterion a) is not met.

Using the PAA, the liability for remaining coverage on initial recognition should be:

- a) The premiums received at initial recognition;
- b) Minus any insurance acquisition cash flows at that date; and
- c) Plus or minus any amount arising from the derecognition at that date of:
 - i. Any asset for insurance acquisition cash flows; and
 - ii. Any other asset or liability previously recognized for cash flows related to the group of insurance contracts.

Subsequently, the liability for remaining coverage should be adjusted as plus the premiums received and the amortization of insurance acquisition cash flows and minus the amount recognized as insurance revenue for services provided and any investment component paid or transferred to the liability for incurred claims in the period.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. An investment contract with discretionary participation features the Group issues should apply the requirements of IFRS 17 if the Group also issues insurance contracts.

Modification and derecognition

If the terms of an insurance contract are modified and any of the specific conditions is met, resulting in a substantive modification, the Group should derecognize the original contract and recognize the modified contract as a new contract.

The Group shall derecognize an insurance contract when it is extinguished, or if any of the conditions of a substantive modification is met.

Transition

The Group shall apply IFRS 17 retrospectively unless it is impracticable, in which case the Group may choose to adopt the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, the Group should use reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only need to use information available without undue cost or effort. If such reasonable and supportable information is unavailable, the Group should apply fair value approach.

Under the fair value approach, the Group should determine the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which had applied IFRS 9 may redesignate an eligible asset that meets the condition in paragraph C29 of IFRS 17. The entity is not required to restate the comparative information to reflect changes in the designation or classifications of these assets, and any difference between the previous carrying amount and the carrying amount at the date of initial application of these financial assets should be recognized in the opening retained earnings (or other component of equity, as appropriate) at the date of initial application. If the entity restates the comparative information, the restated financial statements must reflect all the requirements of IFRS 9 for those affected financial assets.

In addition, an enterprise which had applied IFRS 9 before the initial application of IFRS 17 could apply the classification overlay on an individual basis to the financial assets that had been derecognized during the comparative period as if those financial assets had been redesignated in the comparative period in accordance with the requirements in paragraph C29 of IFRS 17.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of the amendments on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	Effective Date
	Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments and investment properties which are measured at fair value, and net defined benefit assets which are measured at the fair value of plan assets less the present value of the defined benefit obligation.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

Refer to Note 12, Table 1 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

e. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

For the purpose of presenting the consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries, associates and joint ventures in other countries or those that use currencies which are different from the Company's functional currency) that are prepared using functional currencies that are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to the non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement. The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of the equity of associates and joint ventures.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate or a joint venture. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate and joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate and joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required had that associate and joint venture directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate and joint venture, profits and losses resulting from the transactions with the associate and joint venture are recognized in the Group's consolidated financial statements only to the extent that interests in the associate and joint venture are not related to the Group.

g. Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

Property and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property and equipment when completed and ready for their intended use.

Except for its own land, depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include right-of-use assets and properties under construction if the definition of investment properties is met. Investment properties also include land held for a currently undetermined future use.

Freehold investment properties and investment properties acquired through leases are measured initially at cost, including transaction costs. All investment properties are subsequently measured using the fair value model. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties under construction, of which the fair value is not reliably measurable, are measured at cost less accumulated impairment loss until such time as either the fair value becomes reliably measurable or construction is completed (whichever comes earlier).

For a transfer of classification from investment properties to property and equipment, the deemed cost of the property for subsequent accounting is its fair value at the commencement of owner-occupation. For a transfer of classification from property and equipment to investment properties at the end of owner-occupation, any difference between the fair value of the property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss (“FVTPL”)) are added to the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments and equity instruments at fair value through other comprehensive income (“FVTOCI”).

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL, including investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 41.

In addition, to reduce the fluctuations in profit or loss as a result of IFRS 9 being applied earlier than IFRS 17, the Group elects to remove profit or loss arising from changes in fair value in subsequent measurement and present it in other comprehensive income based on overlay approach under IFRS 4. Overlay approach is applied to financial assets if all of the following conditions are met:

- i) The financial assets are held in respect of activities related to IFRS 4;
- ii) The financial assets are measured at FVTPL under IFRS 9, but would not have been measured at FVTPL under IAS 39; and
- iii) The financial assets are designated to apply overlay approach at the first application of IFRS 9, in the initial recognition of a new financial asset or when a financial asset starts to meet the conditions.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Cash and cash equivalents include cash on hand, cash in banks and time deposits or investments which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Time deposits with maturities within 12 months, which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value are classified as cash equivalents.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet both of the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model which is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including receivables and loans) and investments in debt instruments that are measured at FVTOCI.

The Group always recognizes lifetime ECLs for receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group uses the total carrying amount of financial assets at amortized cost (including receivables and loans), investments in debt instruments at FVTOCI, and off balance sheet commitments to measure the amount of exposure at default (EAD).

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

In addition, in accordance with the Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, credit assets are classified as normal assets (“First Category”), assets that require special attention (“Second Category”), assets that are substandard (“Third Category”), assets that are doubtful (“Fourth Category”) and assets for which there is loss (“Fifth Category”) based on the borrower’s financial conditions and the delay for payment of principal and interests as well as the status of the loan collateral and the length of time overdue. The amounts of allowance for bad debts shall not be less than the following standards:

- i. The sum of 0.5% of the First Category loan assets excluding life insurance policy loans, premium loans and loans to government agencies, 2% of the Second Category loan assets, 10% of the Third Category loan assets, as well as 50% and 100% of the Fourth and Fifth Category loan assets.
- ii. 1% of the sum of all five categories of loan assets excluding life insurance policy loans, premium loans and loans to government agencies.
- iii. Total unsecured portion of non-performing loans and non-accrual loans.

Besides, pursuant to Jin Guan Bao Tsai No. 10402506096, the Company shall keep the ratio of the allowance for bad debt over the loans at 1.5% or above to strengthen its ability against loss exposure to specific loan assets.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and presented in net in the consolidated balance sheet only if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading. Financial liabilities held for trading are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss.

Fair value is determined in the manner described in Note 41.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps, cross currency swaps and options.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset hosts that are within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that are within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

5) Modification of financial instruments

When the contractual cash flows of a financial instrument are renegotiated or modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

m. Hedge accounting

The Group designates certain hedging instruments, which include derivatives, as either fair value hedges, or cash flow hedges.

1) Fair value hedges

Gains or losses on derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The changes in the fair value of the hedging instrument and the changes in the hedged item attributable to the hedged risk are recognized in profit or loss in the line item relating to the hedged item.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised.

2) Cash flow hedges

The effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gains or losses relating to the ineffective portion are recognized immediately in profit or loss.

The associated gains or losses that were recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments in the line items relating to the related hedged item in the same period in which the hedged item affects profit or loss. If a hedge of a forecasted transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gains and losses that were recognized in other comprehensive income are removed from equity and included in the initial cost of the non-financial asset or non-financial liability.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria; for instance, when the hedging instrument expires or is sold, terminated or exercised. The cumulative gain or loss on the hedging instrument that was previously recognized in other comprehensive income (from the period in which the hedge was effective) remains separately in equity until the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the gains or losses accumulated in equity are recognized immediately in profit or loss.

n. Separate account insurance products

The Group sells separate account insurance products. The insurance premiums according to agreed terms paid by proposers, net of the expenses incurred by the insurer, are invested in separate accounts at allocation agreed with or directed by the proposers. The separate account assets is measured at fair value on the valuation date and in compliance with the relevant regulations and Template of Accounting Systems for Life Insurance Enterprises.

In accordance with the Regulation Governing the Preparation of Financial Reports by Insurance Enterprises, the assets and liabilities of separate accounts, which are generated either from insurance contracts or from insurance contracts with features of financial instrument, are recorded in separate account insurance product assets and separate account insurance product liabilities. The revenue and expenses of separate accounts, pursuant to IFRS 4, are recorded in separate account insurance product income and separate account insurance product expenses.

o. Insurance liabilities

1) The Company

Funds reserved for insurance contracts and financial instruments with or without a discretionary participation features are determined in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and validated by the certified actuarial professionals approved by the FSC. For investment contracts with discretionary participation features, the guaranteed elements are not separately recognized from the discretionary participation features, and the whole contract is classified as a liability. The provision of reserve for short-term group insurance is based upon the greater of premium received or calculated according to Jin Guan Bao Tsai No. 11004925801. Provision of reserve for the other insurance liabilities is as follows:

a) Unearned premium reserve

For an unexpired in-force contract with a policy period shorter than one year or an injury insurance policy with a policy period longer than one year, the calculation of unearned premium reserve is based on the unexpired risk of each insurance.

b) Loss reserve

Loss reserve is provided for claims filed but not yet paid and claims not yet filed. The reserve for claims filed but not yet paid is assessed based on the actual relevant information of each case and provided by insurance type. The reserve for claims not yet filed is provided based on the past experiences of actual claims and expenses in line with the actuarial principles for injury insurance and health or life insurance policies with a policy period shorter than one year.

c) Policy reserve

Based on the life table and projected interest rates in the manual reported to the authority for each insurance type, life insurance policy reserve is calculated and provided according to the modified calculation method in Article 12 of the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, the manual of each insurance product reported to the authority and the relevant calculation methods approved by the authority.

In accordance with Jin Guan Bao Tsai No. 11004931041 issued on August 24, 2021, for existing effective insurance policies commencing from policy year of 2003, the downward adjustments of the bonus due to the offset between mortality gain (loss) and gain (loss) from the difference of interest rates should be calculated and recognized according to the regulations issued by the authorities.

In accordance with Jin Guan Bao Tsai No. 10102500530 issued on January 19, 2012, life insurance enterprises shall transfer a special reserve that equals to the unwritten allowance for doubtful account resulting from 3% business tax cut to life insurance policy reserve - allowance for doubtful account pertinent to 3% business tax cut from 2012. Besides, life insurance enterprises shall reclassify the recoverable special reserve for catastrophic events defined in Article 19 of the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises to life insurance policy reserve - recovery of catastrophic event reserve.

When an insurance enterprise elects to measure investment property at fair value, it should also measure its insurance liabilities at fair value. If the results of the measurements indicate that the fair value of the insurance liabilities exceeds their book value, the insurance enterprise must set aside the difference to policy reserve and decrease retained earnings. The Company changed its accounting policy for subsequent measurement of investment property from the cost method to the fair value method starting from 2014. In accordance with Jin Guan Bao Tsai No. 10302501161 issued by the FSC on March 21, 2014, the fair value of insurance liabilities measured did not exceed their book value and no additional insurance liabilities should be provided accordingly.

d) Special reserve

When selling participating life insurance policies, according to the Regulation for Allocation of Revenue and Expenses related to Participating/Nonparticipating Policy reported to the authority, the Company is required to set aside a special reserve for dividend participation based on income before tax and dividend. On the date of declaration, dividends should be withdrawn from special reserve - participating policies dividends reserve. The excess dividends should be accounted as special reserve - provisions for risk of dividends.

The increments due to measuring the property at fair value, except for the portion in offsetting adverse effects of the first-time adoption of IFRS Accounting Standards on other accounts, the excess should be set aside as special reserve for revaluation increments of property under insurance liabilities.

e) Premium deficiency reserve

For life insurance, health insurance and annuity insurance policies with policy periods longer than one year commencing from 2001, when the gross premium is less than the net premium used in the calculation of policy reserve, a deficiency reserve is required to set aside such deficiencies for remaining payment periods as a premium deficiency reserve. The premium deficiency reserve of each life insurance category should be calculated and recorded according to the specific method reported to the authorities.

In addition, for unexpired in-force contracts with policy periods shorter than one year and injury insurance policies with policy periods longer than one year, if the probable claims and expenses are greater than the aggregate of unearned premium reserves and estimated future premiums, the premium deficiency reserve is set aside based on the deficiencies by insurance type.

f) Other reserve

Pursuant to IFRS 3 “Business Combinations”, Cathay Life recognizes other reserve to reflect the fair value of the life insurance contracts assumed at the time when the identifiable assets and assumed liabilities acquired from the business combination are recognized at fair value.

g) Liability adequacy reserve

The liability adequacy reserve is set aside based on the adequacy test of liability required by IFRS 4.

2) Cathay Lujiazui Life Insurance Co., Ltd. (“Cathay Lujiazui Life”)

In accordance with the Insurance Act of the People’s Republic of China, the insurance liabilities (including unearned premium reserves, loss reserves and policy reserves) are required and calculated based on the actuarial reports approved by National Financial Regulatory Administration (legacy China Insurance Regulatory Commission).

3) Cathay Life Insurance (Vietnam) Co., Ltd. (“Cathay Life (Vietnam)”)

In accordance with the Insurance Act of Vietnam, the insurance liabilities (including unearned premium reserves, loss reserves and policy reserves) are required and calculated based on the actuarial reports approved by Vietnam government.

p. Liability adequacy test

Liability adequacy test is based on all insurance contracts and related requirements of ASP of IFRS 4 - contract classification and liability adequacy test announced by Actuarial Institute of Chinese Taipei. In this test, the amount of insurance liabilities net of deferred acquisition costs and related intangible assets is compared with the estimated present values of insurance contract cash flow at each reporting date. If the net book values are lower than the estimated present values, all insufficient amounts should be recognized in profit or loss.

q. Reserve for insurance contract with the nature of financial products

For non-separate account insurance products classified as financial instruments without discretionary participation features, the reserve should be recognized in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and depository accounting.

r. Reserve for foreign exchange valuation

The Company provides reserve for foreign exchange valuation according to all of its foreign investments in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprises.

s. Recognition of insurance premium income and expenses

1) The Company

For the Company’s insurance contracts and financial instruments with discretionary participation features, the initial and renewal premium are only recognized as revenue when collection and underwriting procedures finished, and subsequent collection on the appointed dates, respectively. The relevant acquisition costs, such as commission expenses and underwriting expenses, are recognized as current expenses when the insurance contracts become effective.

For non-separate account insurance products classified as financial instruments without discretionary participation features, the insurance premium collected is recognized as reserves for insurance contract with the nature of financial products on the balance sheet.

For separate account insurance products classified as financial instruments without discretionary participation features, the insurance premium collected net of preprocessing expense or investment management fees is entirely recognized as separate account insurance product liabilities on the balance sheet. The acquisition costs incurred due to investment management services for such insurance products, such as commissions and incremental costs directly attributable to the issue of new contracts, are deferred and recorded under deferred acquisition costs and amortized on a straight-line basis over the service period. The amortization is recognized under other operating costs.

2) Cathay Lujiazui Life

In accordance with the related accounting laws and regulations issued by the local government, Cathay Lujiazui Life records direct premiums as revenue at premium received and invoices issued. Related expenses, such as commissions and underwriting fees, are recognized on an accrual basis.

3) Cathay Life (Vietnam)

In accordance with the related accounting laws and regulations issued by the local government, Cathay Life (Vietnam) records direct premiums as revenue at premium received and invoices issued. Related expenses, such as commissions and underwriting fees, are recognized on an accrual basis.

t. Classification of insurance products

An insurance contract refers to a contract where the insurer accepts the insurance policyholder's transfer of a significant insurance risk and agrees to compensate the policyholder for any damages caused by a particular uncertain future event (insured event). The Group's identification of a significant insurance risk refers to any insured event that occurs and causes the Group to incur additional significant payments.

Insurance contracts with features of financial instruments are contracts that transfer significant financial risks. Financial risks refer to the risks that the changes in one or more specific indicators may cause, including interest rates, financial commodity prices, product prices, exchange rates, price index, rate index, credit ratings and other indicators. If the above indicators are not financial, these indicators exist in both sides under the contracts.

For a policy that meets the definition of an insurance contract in the initial phase, it is treated as an insurance contract before the right of ownership and obligations expired or extinguished, even if the exposure to insurance risk during the policy period has significantly decreased. However, if an insurance contract with features of financial instruments transfers a significant insurance risk to the Group subsequently, the Group should reclassify the contract as an insurance contract.

Insurance contracts and those with features of financial instruments are further classified into separate categories depending on whether or not the contracts have discretionary participation features. Discretionary participation features refer to a contractual right to receive additional payments in addition to guaranteed payments from the contract. The contractual rights have the following characteristics:

- 1) Additional payments may be a significant portion of total contractual benefits.
- 2) The amounts or timing for additional payments are contractually at the Group's discretion.

- 3) Additional payments are contractually based on one of the following matters:
 - a) The performance on a specified combination of contracts or a specified type of contract.
 - b) The investment returns on a specified combination of assets held by the Group.
 - c) The profit or loss of the Group, funds, or other entities.

When the embedded derivative instrument has economic characteristics and risks not closely related to those of the primary contracts, it should be recorded separately from the primary contracts and measured at fair value with changes in fair values recognized in profit or loss when incurred. However, if the embedded derivative instrument meets the definition of an insurance contract or the whole contract is measured at fair value with changes in fair values recognized in profit or loss when incurred, the Group does not separately recognize the embedded derivative instrument and the insurance contract.

u. Reinsurance

In order to limit the possible losses caused by certain events, the Group arranges reinsurance business based on its business needs and related insurance regulations. For reinsurance of ceded business, the Group cannot refuse to fulfill its obligations to the insured when the reinsurer fails to fulfill its obligations.

The Group holds the rights over the reinsurer including reinsurance assets, claims and payments recoverable from reinsurers and net due from reinsurers and ceding companies, and regularly assesses if the rights are impaired or unrecoverable. If an objective evidence, which occurred after initial recognition of reinsurance assets, shows that the Group may not receive all amounts of receivables from the reinsurer and the unrecoverable amount can be reasonably estimated, the Group recognizes the difference between the recoverable amount of reinsurance assets and carrying value as an impairment loss.

For the classification of reinsurance contracts, the Group assesses whether or not such contracts transfer significant insurance risk to the reinsurer. If the reinsurance contract does not transfer a significant insurance risk to the reinsurer, the contract is recognized and measured in accordance with deposit accounting.

For a reinsurance contract that transfers a significant insurance risk, if the Group can measure its saving element separately, the insurance element and the saving element of the reinsurance contract are recognized separately. That is, the Group recognizes the contract premium received (or paid) less the amount of insurance as financial liabilities (or assets) rather than income (or expenses). The financial liabilities (or assets) are recognized at the fair values based on the present values of future cash flows.

v. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of each balance sheet date, taking into account the risks and uncertainties of the obligation.

w. Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating

leases are added to the carrying amounts of the underlying assets and amortized on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, and subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4 h. for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

x. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost, past service cost, as well as gains and losses on settlements) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur or when the plan amendment or curtailment occurs or when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurements recognized in other comprehensive income are reflected immediately in other equity and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

y. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

In accordance with Article 49 of the Financial Holding Company Act, the Company and its parent company jointly filed income tax returns and surtax on unappropriated retained earnings since 2002 under the integrated income tax system with the financial holding company (the parent) as the taxpayer. Such effects on current tax and deferred tax are accounted for as receivables or payables.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. If a temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences, the resulting deferred tax asset or liability is not recognized. In addition, a deferred tax liability is not recognized on taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all temporary differences and loss carryforwards which are probably deductible.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the assets are realized or the liabilities are settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. If investment properties measured using the fair value model are non-depreciable assets, or are held under a business model whose objective is not to consume substantially all of the economic benefits embodied in the assets over time, the carrying amounts of such assets are presumed to be recovered entirely through sale.

The Group has applied the exception from the recognition and disclosure of deferred tax assets and liabilities relating to Pillar Two income taxes. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for the acquisition of a subsidiary, the tax effect is included in the accounting for the investments in the subsidiary.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of inflation and interest rate fluctuations on the cash flow projection, discount rates and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

a. Estimated impairment of financial assets

The provisions for impairment of receivables, loans and investments in debt instruments are based on assumptions about probability of default and expected credit loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise. For details of the key assumptions and inputs used, refer to Note 41.

b. Fair value measurements and valuation processes

Where some of the Group's assets and liabilities measured at fair value have no quoted prices in active markets, the Group, in accordance with relevant regulations and judgments, determines the appropriate valuation techniques for the fair value measurements and whether to engage third party qualified valuers.

Where Level 1 inputs are not available, the Group or engaged valuers determine appropriate inputs by referring to the analyses of the financial position and the operation results of the investees, recent transaction prices, prices of the same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable entities/market prices or rates and specific features of derivatives, the existing lease contracts and rentals of similar properties in the vicinity of the Group's investment properties. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly. The Group updates inputs every quarter to confirm the appropriateness of the fair value measurement.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Notes 15 and 41.

c. Valuation of policy reserve

Policy reserves for insurance contracts and investment contracts with discretionary participation features are based on actuarial models and assumptions made as the insurance contracts were established, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The assumptions are made based on the related laws and regulations.

The management examines these estimates regularly and makes adjustments when necessary, but actual results may differ from these estimates.

6. CASH AND CASH EQUIVALENTS

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 27,095	\$ 27,779	\$ 25,600
Cash in banks	233,461,243	156,227,754	264,575,770
Time deposits	88,599,925	43,067,643	162,900,963
Cash equivalents	<u>13,381,346</u>	<u>17,341,756</u>	<u>76,631,341</u>
	<u>\$ 335,469,609</u>	<u>\$ 216,664,932</u>	<u>\$ 504,133,674</u>

7. RECEIVABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 277,389	\$ 349,884	\$ 257,992
Other receivables	124,835,697	138,085,259	122,146,095
Overdue receivables	21,331	8,598	8,523
	125,134,417	138,443,741	122,412,610
Less: Loss allowance	(4,835,319)	(4,122,930)	(3,640,126)
	<u>\$ 120,299,098</u>	<u>\$ 134,320,811</u>	<u>\$ 118,772,484</u>

The movements in the loss allowance are as follows:

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 4,122,930	\$ 2,550,290
Provision for the current period	712,827	1,093,509
Amounts written off	(433)	(3,637)
Foreign exchange differences	(5)	(36)
Ending balance	<u>\$ 4,835,319</u>	<u>\$ 3,640,126</u>

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets mandatorily classified as at FVTPL</u>			
Non-derivative financial assets			
Domestic stocks	\$ 333,097,472	\$ 329,861,700	\$ 237,925,645
Beneficiary certificates	868,309,077	833,813,675	771,074,584
Financial debentures	20,711,677	20,420,471	20,336,294
Overseas stocks	181,259,934	186,134,659	137,067,667
Real estate investment trust	8,717,703	9,885,460	10,284,970
Overseas bonds	327,180,758	326,747,980	324,411,881
Structured time deposits	14,201,930	13,966,047	13,953,684
Derivative financial assets (not under hedge accounting)			
Currency swap contracts ("SWAP")	10,280,994	1,655,964	20,784,795
Foreign exchange forward contacts ("Forward")	15,172,972	3,665,462	27,043,187
Options	-	-	15,494
Call warrants	-	984	1,527
	<u>\$ 1,778,932,517</u>	<u>\$ 1,726,152,402</u>	<u>\$ 1,562,899,728</u>
			(Continued)

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
SWAP	\$ 20,506,392	\$ 32,499,819	\$ 5,120,759
Forward	<u>17,579,580</u>	<u>38,017,860</u>	<u>1,403,722</u>
	<u>\$ 38,085,972</u>	<u>\$ 70,517,679</u>	<u>\$ 6,524,481</u>
			(Concluded)

a. The Group selects to present the profit or loss of the designated financial assets using the overlay approach under IFRS 4 “Insurance Contracts”. Financial assets designated to apply overlay approach by the Group for investing activities relating to insurance contracts issued by the Group are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets mandatorily classified as at FVTPL</u>			
Domestic stocks	\$ 333,097,472	\$ 329,861,700	\$ 237,925,645
Beneficiary certificates	829,815,279	825,174,278	734,032,320
Financial debentures	20,711,677	20,420,471	20,336,294
Overseas stocks	181,259,934	186,134,659	137,067,667
Real estate investment trust	8,717,703	9,885,460	10,284,970
Overseas bonds	327,180,758	326,747,980	324,411,881
Structured time deposits	<u>14,201,930</u>	<u>13,966,047</u>	<u>13,953,684</u>
	<u>\$ 1,714,984,753</u>	<u>\$ 1,712,190,595</u>	<u>\$ 1,478,012,461</u>

Reclassification from profit or loss to other comprehensive income of the financial assets designated to apply overlay approach for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 is as follows:

	For the Three Months Ended September 30		For the nine Months Ended September 30	
	2025	2024	2025	2024
Gain due to application of IFRS 9 to profit or loss	\$ 127,023,482	\$ 34,087,519	\$ 73,220,057	\$ 163,052,232
Gain if applying IAS 39 to profit or loss	<u>(42,370,142)</u>	<u>(38,826,730)</u>	<u>(103,758,585)</u>	<u>(128,799,401)</u>
Loss (gain) reclassified due to application of overlay approach	<u>\$ 84,653,340</u>	<u>\$ (4,739,211)</u>	<u>\$ (30,538,528)</u>	<u>\$ 34,252,831</u>

Due to application of overlay approach, the amounts of gain or loss on financial assets and liabilities at FVTPL for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 had decreased from gain of \$40,606,642 thousand to loss of \$44,046,698 thousand, increased from gain of \$100,995,310 thousand to gain of \$105,734,521 thousand, increased from gain of \$201,228,214 thousand to gain of \$231,766,742 thousand and decreased from gain of \$35,178,048 thousand to gain of \$925,217 thousand, respectively.

b. As of September 30, 2025, December 31, 2024 and September 30, 2024, structured notes which were

accounted for as financial assets at FVTPL amounted to \$166,069,267 thousand, \$167,194,562 thousand and \$174,265,353 thousand, respectively.

- c. The financial assets at FVTPL held by the Group were not pledged as collateral.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	September 30, 2025	December 31, 2024	September 30, 2024
Investments in equity instruments at FVTOCI			
Domestic stocks	\$ 141,439,891	\$ 152,647,764	\$ 141,359,439
Overseas stocks	<u>2,143,969</u>	<u>2,755,270</u>	<u>2,929,456</u>
	<u>143,583,860</u>	<u>155,403,034</u>	<u>144,288,895</u>
Investments in debt instruments at FVTOCI			
Corporate bonds	2,168,930	2,147,787	2,142,402
Government bonds	24,533,322	23,892,676	23,728,533
Overseas bonds	631,331,317	476,818,621	455,032,161
Financial debentures	1,514,670	3,582,331	1,511,250
Less: Litigation deposits	(45,989)	(44,824)	(42,215)
Less: Deposits to Central Bank	(2,112,301)	(2,010,987)	(2,063,398)
Less: Derivative instruments collateral	<u>(2,519,232)</u>	<u>(11,994,707)</u>	<u>-</u>
	<u>654,870,717</u>	<u>492,390,897</u>	<u>480,308,733</u>
	<u><u>\$ 798,454,577</u></u>	<u><u>\$ 647,793,931</u></u>	<u><u>\$ 624,597,628</u></u>

- a. These investments in equity instruments are not held for trading, and thus were designated as financial assets at FVTOCI.
- b. Dividend income recognized relating to investments in equity instruments at FVTOCI held by the Group on the balance sheet date for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were \$4,569,123 thousand, \$5,187,074 thousand, \$6,096,538 thousand and \$6,170,779 thousand, respectively. Those related to investments derecognized for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024 were \$265,536 thousand, \$1,182,552 thousand, \$296,286 thousand and \$1,214,353 thousand, respectively.
- c. In consideration of investment strategies, the Group sold equity instruments at FVTOCI at fair values of \$40,057,253 thousand and \$30,738,479 thousand at the time of sale, and transferred unrealized gain of \$6,307,711 thousand and unrealized gain of \$2,861,595 thousand from other equity to retained earnings for the nine months ended September 30, 2025 and 2024, respectively.
- d. Refer to Note 39 for the financial assets at FVTOCI that were pledged as collateral.
- e. Refer to Note 41 for information relating to the credit risk management and impairment of investments in debt instruments at FVTOCI.

10. HEDGING INSTRUMENTS

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets for hedging</u>			
Interest rate swap contracts (“IRS”)	\$ 17,607	\$ 6,615	\$ -
Forward	2,777,937	-	-
Bond forward contract	<u>-</u>	<u>-</u>	<u>97,974</u>
	<u>\$ 2,795,544</u>	<u>\$ 6,615</u>	<u>\$ 97,974</u>
<u>Financial liabilities for hedging</u>			
Interest rate swap contracts (“IRS”)	\$ 524,846	\$ -	\$ -
Forward	-	2,533,212	1,316,149
Bond forward contract	<u>-</u>	<u>58,363</u>	<u>16,259</u>
	<u>\$ 524,846</u>	<u>\$ 2,591,575</u>	<u>\$ 1,332,408</u>

The financial assets for hedging held by the Group were not pledged as collateral.

11. DISCONTINUED OPERATIONS

On July 6, 2023, the board of directors resolved to dispose of all the shares of Conning Holdings Limited and its subsidiaries previously held by the Company to Generali Investments Holding S.p.A. in exchange for approximately 16.75% of its shareholding. The transaction was approved by the Financial Supervisory Commission (FSC) and the Investment Commission of the Ministry of Economic Affairs (MOEA) on December 21, 2023 and February 29, 2024, respectively, and the disposal was completed on April 3, 2024.

The above transaction met the criteria of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. Therefore, the related profit or loss was expressed as profit or loss from discontinued operations.

The details of profit from discontinued operations and the related cash flow information were as follows:

	January 1, 2024 to April 3, 2024
Operating revenue	\$ 2,825,893
Operating costs	<u>(383,233)</u>
Gross profit	2,442,660
General expenses	<u>(101,143)</u>
Administrative expenses	<u>(2,126,389)</u>
Profit from operations	215,128
Other income and expenses	<u>-</u>
Profit before income tax	215,128
Income tax expense	<u>(88,037)</u>
Income from discontinued operations before elimination	127,091
Elimination of transactions with related parties	<u>(337,446)</u>
Profit or loss	<u>(210,355)</u>
	(Continued)

January 1, 2024
to April 3, 2024

Gain on disposals	\$ 2,636,994
Income tax expense	<u>(1,402,695)</u>
Profit from discontinued operations	<u>\$ 1,023,944</u>
Profit from discontinued operations attributable to:	
Shareholders of the Corporation	\$ 973,026
Non-controlling interests	<u>50,918</u>
	<u>\$ 1,023,944</u>
Cash flows	
Operating activities	\$ (226,514)
Investing activities	(18,222)
Financing activities	(280,487)
Net foreign exchange losses	<u>(815,782)</u>
Net cash outflows	<u>\$ (1,341,005)</u>
	(Concluded)

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investors	Investees	Business	Ownership Interest (%)			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Cathay Lujiazui Life	Life insurance	50.00	50.00	50.00	
The Company	Cathay Life (Vietnam)	Life insurance	100.00	100.00	100.00	
The Company	Liu Yuan (Shanghai) Real Estate Co., Ltd.	Office leasing	100.00	100.00	100.00	
The Company	Cathay Woolgate Exchange Holding 1 Limited	Real estate investment and management	100.00	100.00	100.00	
The Company	Cathay Woolgate Exchange Holding 2 Limited	Real estate investment and management	100.00	100.00	100.00	
The Company	Cathay Walbrook Holding 1 Limited	Real estate investment and management	100.00	100.00	100.00	
The Company	Cathay Walbrook Holding 2 Limited	Real estate investment and management	100.00	100.00	100.00	
The Company	Cathay Industrial Research and Design Center Co., Ltd. ("Cathay Industrial R&D Center")	Real estate services	99.00	99.00	99.00	
The Company	Cathay Power Inc. ("Cathay Power")	Energy technical services	70.00	70.00	70.00	
The Company	Cathaylife Singapore Pte. Ltd.	Holding company	100.00	100.00	100.00	Note 3
The Company	Cathay Wind Power Holdings Co., Ltd. ("Cathay Wind Power Holdings")	Energy technical services	99.00	99.00	-	Note 1
Cathay Power	Sunrise Pv One Co., Ltd. ("Sunrise Pv One")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Cathy Sunrise Two Co., Ltd. ("Cathy Sunrise Two")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Bai Yang Energy Co., Ltd. ("Bai Yang Energy")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Cathy Sunrise Electric Power Two Co., Ltd. ("Cathy Sunrise Electric Power Two")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Hong Cheng Sing Tech. Co., Ltd. ("Hong Cheng Sing Tech.")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Shen Lyu Co., Ltd. ("Shen Lyu")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Nan Yang Power Co., Ltd. ("Nan Yang Power")	Energy technical services	80.00	80.00	80.00	

(Continued)

Investors	Investees	Business	Ownership Interest (%)			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
Cathay Power	CM Energy Co., Ltd. ("CM Energy")	Energy technical services	97.00	70.00	70.00	Note 4
Cathay Power	Neo Cathay Power Corp. ("Neo Cathay Power")	Energy technical services	100.00	100.00	100.00	
Cathay Power	Cathay Wind Power Holdings Co., Ltd. ("Cathay Wind Power Holdings")	Energy technical services	1.00	1.00	100.00	Note 1
Sunrise Pv One	Shu Guang Energy Co., Ltd. ("Shu Guang Energy")	Energy technical services	70.00	70.00	70.00	
CM Energy	Hong Tai Energy Co., Ltd. ("Hong Tai Energy")	Energy technical services	100.00	100.00	100.00	
CM Energy	Tian Ji Energy Co., Ltd. ("Tian Ji Energy")	Energy technical services	100.00	100.00	100.00	
CM Energy	Tian Ji Power Co., Ltd. ("Tian Ji Power")	Energy technical services	100.00	100.00	100.00	
Hong Tai Energy	Hong Tai Power Co., Ltd. ("Hong Tai Power")	Energy technical services	100.00	100.00	100.00	
Neo Cathay Power	Si Yi Co., Ltd. ("Si Yi")	Energy technical services	100.00	100.00	100.00	
Neo Cathay Power	Da Li Energy Co., Ltd. ("Da Li")	Energy technical services	100.00	100.00	100.00	
Neo Cathay Power	Yong Han Co., Ltd. ("Yong Han")	Energy technical services	100.00	100.00	100.00	
Cathay Wind Power Holdings	Cathay Wind Power Co., Ltd. ("Cathay Wind Power")	Energy technical services	100.00	100.00	100.00	Note 2

(Concluded)

Note 1: Cathay Wind Power Holdings Co., Ltd. was originally 100% owned by Cathay Power. The Company completed a capital increase in Cathay Wind Power Holdings on October 29, 2024, raising its ownership interest to 99%.

Note 2: Cathay Wind Power became wholly-owned by Cathay Wind Power Holdings on January 12, 2024.

Note 3: Cathaylife Singapore Pte. Ltd.'s establishment was approved by the Singaporean authorities on June 5, 2024. The Company injected capital of US\$30 million into the subsidiary on July 3, 2024.

Note 4: On June 26, 2025, Cathay Power acquired an additional 27% equity interest of CM Energy, increasing the percentage of ownership from 70% to 97%.

b. Subsidiaries excluded from the consolidated financial statements

Investors	Investees	Business	Ownership Interest (%)			Notes
			September 30, 2025	December 31, 2024	September 30, 2024	
The Company	Cathay Securities Investment Consulting Co., Ltd. ("Cathay Securities Investment Consulting")	Securities investment consulting services	100.00	100.00	100.00	

The consolidated financial statements did not include Cathay Securities Investment Consulting because its total assets and operating revenue were insignificant to the total assets and operating revenue of the Company.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2025	December 31, 2024	September 30, 2024
Investments in unconsolidated subsidiaries	\$ 638,923	\$ 712,380	\$ 670,017
Investments in associates	54,585,412	54,550,980	54,416,898
Investments in joint ventures	4,273,325	4,268,636	481,567
	<u>\$ 59,497,660</u>	<u>\$ 59,531,996</u>	<u>\$ 55,568,482</u>

Refer to Table 1 and Table 7 for the nature of business activities, main operating locations and countries of incorporation of the unconsolidated subsidiaries, associates and joint ventures.

a. Investments in unconsolidated subsidiaries

	September 30, 2025	December 31, 2024	September 30, 2024
Cathay Securities Investment Consulting	<u>\$ 638,923</u>	<u>\$ 712,380</u>	<u>\$ 670,017</u>

b. Investments in associates

Aggregate information of associates that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
The Group' share of:				
Net profit	\$ 774,134	\$ 614,390	\$ 2,510,771	\$ 1,764,063
Other comprehensive income (loss)	<u>100,374</u>	<u>766,153</u>	<u>(986,010)</u>	<u>683,209</u>
Total comprehensive income for the period	<u>\$ 874,508</u>	<u>\$ 1,380,543</u>	<u>\$ 1,524,761</u>	<u>\$ 2,447,272</u>

c. Investments in joint ventures

Aggregate information of joint ventures that are not individually material

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
The Group' share of:				
Net loss	\$ (58,964)	\$ (11,173)	\$ (85,944)	\$ (29,785)
Other comprehensive income (loss)	<u>3,254</u>	<u>(7)</u>	<u>1,861</u>	<u>5,042</u>
Total comprehensive loss for the period	<u>\$ (55,710)</u>	<u>\$ (11,180)</u>	<u>\$ (84,083)</u>	<u>\$ (24,743)</u>

As the individual associates and joint ventures are not significant, the related financial information is aggregate disclosed. Except for Cathay Venture Inc., the amount of the share of profit or loss and other comprehensive income of associates and joint ventures were recognized on the basis of the financial statements which have not been reviewed by an independent auditor.

The investments in associates were not pledged as collateral. Refer to Note 39 for the amounts of investments in joint ventures pledged as loan collateral.

14. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits	\$ 33,019,912	\$ 36,443,368	\$ 14,870,074
Financial debentures	19,333,987	17,939,115	14,940,830
Corporate bonds	24,038,340	24,336,898	23,093,754
Government bonds	17,099,873	23,936,790	23,951,621
Overseas bonds	3,907,924,725	4,262,975,196	4,121,758,386
Asset-backed securities	746,853	1,792,000	1,792,000
Less: Litigation deposits	(23,254,829)	(23,267,646)	(1,495,793)
Less: Deposits to Central Bank	(7,149,917)	(7,155,518)	(7,157,398)
Less: Derivative instruments collateral	(4,332,628)	(13,456,870)	-
Less: Loss allowance (Note)	<u>(3,430,347)</u>	<u>(3,525,166)</u>	<u>(3,379,767)</u>
	<u>\$ 3,963,995,969</u>	<u>\$ 4,320,018,167</u>	<u>\$ 4,188,373,707</u>

Note: Loss allowance for guarantee deposits paid in bonds is not included. As of September 30, 2025, December 31, 2024 and September 30, 2024, the amounts were \$5,038 thousand, \$6,686 thousand and \$680 thousand, respectively.

- For the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, the Group disposed of bonds before the maturity due to increases in credit risk, which resulted in losses on disposal of \$7,047 thousand, \$782,528 thousand, \$7,047 thousand and \$1,380,538 thousand, respectively; disposal of bonds close to maturity with proceeds that approximate remaining contractual cashflows, which resulted in losses on disposal of \$0 thousand, \$0 thousand, \$8,640 thousand and \$0 thousand, respectively; disposal of bonds before maturity because of infrequent sales or sales that are insignificant in value (either individually or in aggregate) resulted in gains on disposal of \$20,722 thousand, \$210,419 thousand, \$2,643,476 thousand and \$991,852 thousand, respectively; disposal of bonds due to other conditions such as repayments at maturities resulted in losses on disposal of \$150,933 thousand, \$95,924 thousand, \$721,915 thousand and \$195,906 thousand, respectively.
- Refer to Note 39 for information relating to investments in financial assets at amortized cost pledged as security.
- Refer to Note 41 for information relating to the credit risk management and impairment of investments in debt instruments at amortized cost.

15. INVESTMENT PROPERTY, INVESTMENT PROPERTY UNDER CONSTRUCTION AND PREPAYMENTS FOR BUILDINGS AND LAND - INVESTMENTS

	Investment Property			Investment Property Under Construction	Prepayments for Buildings and Land - Investments
	Land	Buildings	Total		
Balance on January 1, 2024	\$ 392,203,252	\$ 136,430,132	\$ 528,633,384	\$ 8,983,487	\$ 4,188,723
Additions	-	-	-	8,616,505	3,978,903
Reclassification	3,305,521	4,156,988	7,462,509	(591,796)	(6,870,713)
Gain on changes in fair value of investment property	1,683,779	155,548	1,839,327	-	-
Foreign exchange	852,949	1,652,650	2,505,599	343,812	239,457
Balance on September 30, 2024	<u>\$ 398,045,501</u>	<u>\$ 142,395,318</u>	<u>\$ 540,440,819</u>	<u>\$ 17,352,008</u>	<u>\$ 1,536,370</u>
Balance on January 1, 2025	\$ 398,987,052	\$ 146,020,212	\$ 545,007,264	\$ 14,779,174	\$ 1,097,313
Additions	-	-	-	7,467,576	550,944
Disposals	-	(699)	(699)	-	-
Reclassification	100	220,390	220,490	90,252	(310,742)
Gain on changes in fair value of investment property	7,779,673	429,518	8,209,191	-	-
Foreign exchange	(65,203)	(393,738)	(458,941)	(4,576)	(3,676)
Balance on September 30, 2025	<u>\$ 406,701,622</u>	<u>\$ 146,275,683</u>	<u>\$ 552,977,305</u>	<u>\$ 22,332,426</u>	<u>\$ 1,333,839</u>
For the Three Months Ended September 30					
	2025	2024		2025	2024
Rental income from investment properties	\$ 3,545,041	\$ 3,255,449		\$ 10,537,210	\$ 9,911,875
Direct operating expenses of investment properties that generate rental income	(127,051)	(168,029)		(599,077)	(597,669)
Direct operating expenses of investment properties that do not generate rental income	(101,089)	(62,237)		(276,353)	(148,062)
	<u>\$ 3,316,901</u>	<u>\$ 3,025,183</u>		<u>\$ 9,661,780</u>	<u>\$ 9,166,144</u>

- Certain properties are held to earn rental or for capital appreciation, and the others are held for owner occupation. If each component of a property could be sold separately, it is classified as investment property or property and equipment individually. If each component could not be sold separately, it would be classified as investment property only when owner occupation is lower than 5% of the property.
- As of September 30, 2025, the investment properties of the Company amounted to \$509,788,750 thousand. The investment properties are held mainly for lease business. All the lease agreements of the Group's lease business are operating leases and the primary terms of lease agreements are the same with general lease agreement. Rents from investment property are received annually, semi-annually, quarterly, monthly or in lump sum. Investment properties held by the Group were not pledged.
- The ownership of the Group's investment properties is not subject to restrictions other than the restriction associated with being furnished as security for other's debts; the ownership of its trust property is not subject to restrictions. Besides, the Group is not involved in any situations that violate Subparagraph 2, Paragraph 3 of Article 11-2 of Regulations Governing Foreign Investments by Insurance Companies.

d. The valuation of the Group's investment property has been carried out by the following appraisers from joint appraisal firms that meet the qualification requirements for real estate appraisers in the ROC with valuation dates on June 30, 2025, December 31, 2024 and June 30, 2024. The valuation was still valid as of September 30, 2025 and 2024.

Due to the significant changes in cash flows caused by the increases or decreases in building leases, the completion of investment properties, or the acquisition of investment properties, the appraisers conducted evaluations and issued updated formal appraisal reports as of September 30, 2025.

Name of Appraiser Firms	September 30, 2025	June 30, 2025	December 31, 2024	June 30, 2024
DTZ Real Estate Appraiser Firm	Chun-chun, Hu	Chang-da, Yang; Gen-yuan, Li; Chia-ho, Tsai; Chun-chun, Hu	Chang-da, Yang; Gen-yuan, Li; Chia-ho, Tsai; Chun-chun, Hu	Chang-da, Yang; Gen-yuan, Li; Chia-ho, Tsai; Chun-chun, Hu
Savills plc Real Estate Appraiser Firm	-	Yi-zhi, Zhang; Hong-kai, Zhang; Cheng-Yeh, Wu; Shih-Yu, Yeh	Yi-zhi, Zhang; Hong-kai, Zhang; Cheng-Yeh, Wu; Shih-Yu, Yeh	Yi-zhi, Zhang; Hong-kai, Zhang; Cheng-Yeh, Wu
REPro KnightFrank Real Estate Appraiser Firm	-	Yu-hsiang, Tsai; Hsiang-yi, Hsu	Yu-hsiang, Tsai; Hsiang-yi, Hsu	Yu-hsiang, Tsai; Hsiang-yi, Hsu
V-LAND Real Estate Appraiser Firm	-	Tai-li, Li; Xi-Zhong, Wang; You-qi, Liang	Tai-li, Li; Xi-Zhong, Wang	Tai-li, Li; Xi-Zhong, Wang
Shang-shang Real Estate Appraiser Firm	Hong-yuan, Wang	Wei-zhi, Wang; Hong-yuan, Wang; Jian-Hao, Huang	Wei-Zhi, Wang; Hong-yuan, Wang; Jian-Hao, Huang	Wei-zhi, Wang; Hong-yuan, Wang; Jian-Hao, Huang
Sinyi Real Estate Appraiser Firm	-	Wei-xin, Chi; Liang-an, Ji; Wen-zhe, Cai; Shi-ming, Wang	Wei-xin, Chi; Liang-an, Ji; Wen-zhe, Cai; Shi-ming, Wang	Wei-xin, Chi; Wen-zhe, Cai; Shi-ming, Wang
Elite Real Estate Appraiser Firm	-	Yu-lin, Chen; Yi-huei, Luo; Siou-ying, Jhan; Hsin-Hao, Chen	Yu-lin, Chen; Yi-huei, Luo; Siou-ying, Jhan; Hsin-Hao, Chen	Yu-lin, Chen; Yi-huei, Luo; Siou-ying, Jhan
CBRE Real Estate Appraiser Firm	-	Fu-xue, Shi; Zhi-Jia, Zhang	Fu-xue, Shi; Zhi-Jia, Zhang	Fu-xue, Shi; Zhi-Jia, Zhang
China Credit Information Service Ltd.	-	-	-	Zhi-Hao, Wu; Wei-Ru, Li
LinkU Real Estate Appraisal and Consulting Services	-	-	-	Lin-Yu, Lian
Colliers International Group Inc.	-	Jian-Huei, Gu	Jian-Huei, Gu	Feng-Ru, Ke; Jian-Huei, Gu

On May 11, 2020, the Insurance Bureau of the FSC issued Jin Guan Bao Tsai No. 10904917641 to amend some of the provisions of the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises", which should be applied in the preparation of the financial report beginning in the first quarter of 2020. However, the Company's investment properties were mainly recognized at fair value subsequent to initial recognition before the amendment issued on May 11, 2020, and according to the amendment, the previously-adopted appraisal approaches are applied for such assets to maintain the consistency and comparability of the financial reports for the years before and after the amendment.

The fair value is supported by observable evidence in the market. The main appraisal approaches applied include sales comparison approach, income approach - direct capitalization method, income approach - discounted cash flow method, cost approach and the method of land development analysis. Commercial office buildings and residences are mainly valued by sales comparison approach and income approach because of the market liquidity and comparable sales and rental cases in the neighboring areas. Hotels, department stores and marketplaces are mainly valued by income approach - direct capitalization method and income approach - discounted cash flow method because of the stable rental income in the long term. Industrial plants for lease are valued by sales comparison approach and cost approach. Wholesale stores located in industrial districts are valued by cost approach since the buildings are constructed for specific purposes because fewer similar transactions could be referred to in the market. Vacant land and buildings under construction of logistics parks located in industrial and commercial integrated district are valued by cost approach. Land under construction with building permit is mainly valued by comparison approach and land development analysis. Urban renewal land under construction with building permit is valued by comparison approach and income approach based on the allocated real estates (office buildings, hotels, etc.) under the urban renewal program.

The main inputs used are as follows:

	September 30, 2025	June 30, 2025	December 31, 2024	June 30, 2024
Direct capitalization rates (net)	-	0.57%-6.74%	0.56%-6.23%	0.56%-5.50%
Discount rates	3.47%	2.82%-4.63%	2.82%-4.63%	2.82%-4.63%

External appraisers use market extraction method, search several comparable properties which are identical with or similar to the subject property, consider the liquidity risk and risk premium when disposed of in the future, to decide the direct capitalization rate and discount rate. The discount rates for the properties acquired after May 11, 2020 had been determined in accordance with the amendment to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

The Group recognized their investment properties at fair value subsequent to initial recognition and the related fair value are categorized as Level 3 of fair value hierarchy. The fair value of investment property will decrease as either one of the main inputs, direct capitalization rate used in direct capitalization method or discount rate, increases. On the contrary, the fair value of investment property will increase if any of the main input decreases.

Reconciliation of fair value measurements in Level 3 movements is as follows:

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 507,509,228	\$ 499,000,922
Amount recognized in profit or loss		
Gain from investment property	8,209,191	1,839,327
Amount recognized in other comprehensive income		
Exchange differences resulting from translation of the financial statements of foreign operations	(458,941)	2,505,599
Disposals	(699)	-
Transfers from investment property under construction	218,530	100,686
Transfers from investment property measured at cost	<u>13,178,027</u>	<u>-</u>
Ending balance	<u>\$ 528,655,336</u>	<u>\$ 503,446,534</u>

The above amounts did not include those measured at cost.

e. Refer to Table 6 for the disposal of individual real estate at cost or price of at least \$100 million or 20% of the paid-in capital.

16. LOANS

	September 30, 2025	December 31, 2024	September 30, 2024
Life insurance policy loans (a)	\$ 158,347,424	\$ 160,028,166	\$ 158,024,030
Premium loans (b)	11,581,942	12,062,643	12,388,156
Secured loans (c)	250,087,897	232,557,527	224,258,377
Non-accrual receivables	<u>1,507,717</u>	<u>1,764,736</u>	<u>1,898,834</u>
	421,524,980	406,413,072	396,569,397
Less: Loss allowance	(4,719,740)	(4,063,292)	(3,909,399)
	<u>\$ 416,805,240</u>	<u>\$ 402,349,780</u>	<u>\$ 392,659,998</u>

- a. Life insurance policy loans were secured by policies issued by the Group.
- b. Policyholders may state on the application form or issue a written statement prior to end of grace period for premium payment to request the insurer to automatically deduct the premiums due and interest of the premium loan (as well as the principal and interest of the life insurance policy loan, if applicable) from the policyholders' policy value reserve after the second installment becomes overdue in order to maintain the effective insurance policy. Policyholders may also inform the insurer in writing to terminate the premium loan option prior to the next due date of premium payment.
- c. Secured loans are secured by government bonds, stocks, corporate bonds and real estate. The Group applied IFRS 9 and assessed impairment in accordance with the Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans. Refer to Note 41 for related information of loss allowance for the nine months ended September 30, 2025 and 2024.

17. REINSURANCE ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Due from reinsurers and ceding companies	\$ 373,824	\$ 977,493	\$ 612,652
Reinsurance reserve assets			
Ceded unearned premium reserve	1,000,592	987,414	892,925
Ceded loss reserve	29,265	20,362	108,596
Ceded policy reserve	296,677	331,199	344,286
Non-accrual receivables	<u>-</u>	<u>13,410</u>	<u>11,753</u>
Less: Loss allowance	<u>1,700,358</u>	<u>2,329,878</u>	<u>1,970,212</u>
	<u>\$ 1,700,358</u>	<u>\$ 2,321,984</u>	<u>\$ 1,964,335</u>

CNY Co-reinsurance Business

Authorized by the FSC under Jin Guan Bao Tsai No. 10302112370, the Company signed a CNY co-reinsurance contract with Central Reinsurance Corporation in 2014. The Company discloses the ceding information following Article 6 of the Guideline for Reinsurance with Ceded Policy Reserve by Life Insurance Enterprises.

a. Purpose, rationalization and expected benefit

In consideration of the limitation on CNY investment, the Company cedes partial of its CNY insurances through co-reinsurance to increase the Company's liquidity, enhance the capability to insure and transfer relevant risks. Under the reinsurance arrangement, the Company transfers 50% of its insurance risks to Central Reinsurance Corporation.

b. Claims recovered from reinsurers and reinsurance commission income

	For the Nine Months Ended September 30	
	2025	2024
Claims recovered from reinsurers	\$ 28,089	\$ 32,174
Reinsurance commission income	1,127	1,275

c. Net income or loss from CNY co-reinsurance business

Net loss from reinsurance of \$4,229 thousand was recognized for the nine months ended September 30, 2025 from CNY co-reinsurance business. The amount was calculated as follows:

Reinsurance commission income of \$1,127 thousand + Claims recovered from reinsurers of \$28,089 thousand - Net changes in reinsurance reserve assets of \$19,388 thousand + Foreign exchange loss of \$14,057 thousand.

d. Reason and effect to income or loss from change of co-reinsurance business or contract: None.

e. Accounting treatment for ceded CNY co-reinsurance business

On the balance sheet, the Company recognizes reinsurance reserve assets including ceded policy reserve for ceded co-reinsurance business and provides insurance liabilities as direct business. All reinsurance reserve assets should be derecognized when the co-reinsurance contract ceased.

f. Other notes designated by authorities: None.

18. PROPERTY AND EQUIPMENT

	<u>Land</u>	<u>Buildings and Construction</u>	<u>Computer Equipment</u>	<u>Leasehold Improvement</u>	<u>Transportation Equipment</u>	<u>Other Equipment</u>	<u>Construction in Progress and Prepayment for Real Estate Equipment</u>	<u>Total</u>
<u>Cost</u>								
Balance on January 1, 2024	\$ 18,447,922	\$ 22,110,597	\$ 5,162,725	\$ 680,070	\$ 11,236	\$ 17,524,383	\$ 919,143	\$ 64,856,076
Additions	-	-	306,305	4,413	558	286,960	1,017,746	1,615,982
Disposals	-	-	(51,545)	-	-	(25,496)	-	(77,041)
Disposal of subsidiary (Note 45)	-	-	(1,364,751)	(306,334)	-	(113,757)	-	(1,784,842)
Reclassification	-	7,654	61,551	26,085	141	761,006	(768,660)	-
Foreign exchange	-	24,873	-	-	-	4,037	-	116,687
Balance on September 30, 2024	<u>\$ 18,447,922</u>	<u>\$ 22,143,124</u>	<u>\$ 4,114,285</u>	<u>\$ 404,234</u>	<u>\$ 11,935</u>	<u>\$ 18,437,133</u>	<u>\$ 1,168,229</u>	<u>\$ 64,726,862</u>
<u>Depreciation and impairment</u>								
Balance on January 1, 2024	\$ 98,268	\$ 13,361,871	\$ 3,320,985	\$ 489,784	\$ 9,479	\$ 6,045,334	\$ -	\$ 23,325,721
Depreciation expenses	-	292,456	295,129	23,267	474	647,590	-	1,258,916
Disposals	-	-	(51,095)	-	-	(26,245)	-	(77,340)
Disposal of subsidiary (Note 45)	-	-	(483,686)	(162,799)	-	(87,515)	-	(734,000)
Foreign exchange	-	9,441	24,701	19,134	79	3,024	-	56,379
Balance on September 30, 2024	<u>\$ 98,268</u>	<u>\$ 13,663,768</u>	<u>\$ 3,106,034</u>	<u>\$ 369,386</u>	<u>\$ 10,032</u>	<u>\$ 6,582,188</u>	<u>\$ -</u>	<u>\$ 23,829,676</u>
Carrying amount on September 30, 2024	<u>\$ 18,349,654</u>	<u>\$ 8,479,356</u>	<u>\$ 1,008,251</u>	<u>\$ 34,848</u>	<u>\$ 1,903</u>	<u>\$ 11,854,945</u>	<u>\$ 1,168,229</u>	<u>\$ 40,897,186</u>
<u>Cost</u>								
Balance on January 1, 2025	\$ 18,484,960	\$ 22,147,097	\$ 4,225,125	\$ 404,024	\$ 11,665	\$ 18,724,550	\$ 1,376,715	\$ 65,374,136
Additions	-	-	388,596	5,712	109	239,118	696,750	1,330,285
Disposals	-	-	(67,963)	-	-	(19,949)	-	(87,912)
Reclassification	12,965	37,710	-	-	-	358,083	(408,758)	-
Foreign exchange	-	(29,549)	(14,490)	(18,077)	(157)	-	(810)	(63,083)
Balance on September 30, 2025	<u>\$ 18,497,925</u>	<u>\$ 22,155,258</u>	<u>\$ 4,531,268</u>	<u>\$ 391,659</u>	<u>\$ 11,617</u>	<u>\$ 19,301,802</u>	<u>\$ 1,663,897</u>	<u>\$ 66,553,426</u>
<u>Depreciation and impairment</u>								
Balance on January 1, 2025	\$ 98,268	\$ 13,760,855	\$ 3,194,834	\$ 372,403	\$ 8,958	\$ 6,806,475	\$ -	\$ 24,241,793
Depreciation expenses	-	289,558	312,316	11,280	490	687,260	-	1,300,904
Disposals	-	-	(67,724)	-	-	(19,678)	-	(87,402)
Foreign exchange	-	(8,416)	(11,109)	(16,638)	(56)	-	-	(36,219)
Balance on September 30, 2025	<u>\$ 98,268</u>	<u>\$ 14,041,997</u>	<u>\$ 3,428,317</u>	<u>\$ 367,045</u>	<u>\$ 9,392</u>	<u>\$ 7,474,057</u>	<u>\$ -</u>	<u>\$ 25,419,076</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 18,386,692</u>	<u>\$ 8,386,242</u>	<u>\$ 1,030,291</u>	<u>\$ 31,621</u>	<u>\$ 2,707</u>	<u>\$ 11,918,075</u>	<u>\$ 1,376,715</u>	<u>\$ 41,132,343</u>
Carrying amount on September 30, 2025	<u>\$ 18,399,657</u>	<u>\$ 8,113,261</u>	<u>\$ 1,102,951</u>	<u>\$ 24,614</u>	<u>\$ 2,225</u>	<u>\$ 11,827,745</u>	<u>\$ 1,663,897</u>	<u>\$ 41,134,350</u>

a. The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and construction	1-70 years
Computer equipment	3-5 years
Leasehold improvements	6 years or lease term
Transportation equipment	3-5 years
Other equipment	2-22 years

b. Property and equipment pledged as collateral are set out in Note 39.

19. LEASE ARRANGEMENTS

a. Right-of-use assets

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amount</u>			
Land	\$ 220,086	\$ 243,469	\$ 247,129
Buildings	1,203,170	1,146,472	1,224,339
Office equipment	8,240	2,206	3,436
Transportation equipment	17,040	11,517	13,024
	<u>\$ 1,448,536</u>	<u>\$ 1,403,664</u>	<u>\$ 1,487,928</u>
Right-of-use assets presented as investment properties	<u>\$ 12,852,847</u>	<u>\$ 12,787,580</u>	<u>\$ 12,947,249</u>
For the Three Months Ended September 30			
	2025	2024	
Additions to right-of-use assets	<u>\$ 86,039</u>	<u>\$ 84,367</u>	<u>\$ 507,071</u>
Depreciation expense for right-of-use assets			
Land	\$ 3,481	\$ 3,661	\$ 10,621
Buildings	126,392	132,074	404,363
Office equipment	1,159	1,220	3,343
Transportation equipment	1,668	1,703	4,480
	<u>\$ 132,700</u>	<u>\$ 138,658</u>	<u>\$ 422,807</u>
For the Nine Months Ended September 30			
	2025	2024	
Additions to right-of-use assets	<u>\$ 86,039</u>	<u>\$ 84,367</u>	<u>\$ 418,549</u>
Depreciation expense for right-of-use assets			
Land	\$ 3,481	\$ 3,661	\$ 10,621
Buildings	126,392	132,074	404,363
Office equipment	1,159	1,220	3,343
Transportation equipment	1,668	1,703	4,480
	<u>\$ 132,700</u>	<u>\$ 138,658</u>	<u>\$ 422,807</u>

b. Lease liabilities

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Carrying amount</u>			
	<u>\$ 16,117,149</u>	<u>\$ 15,874,291</u>	<u>\$ 15,981,749</u>
Range of discount rates for lease liabilities is as follows:			
	September 30, 2025	December 31, 2024	September 30, 2024
Land	1.24%-2.63%	1.24%-2.63%	1.24%-2.63%
Buildings	1.11%-8.57%	1.11%-8.57%	1.11%-8.57%
Office equipment	4.75%	4.75%	4.75%
Transportation equipment	2.46%-3.66%	2.49%-3.66%	2.49%-3.66%
Investment property - right of superficies	2.82%-4.24%	2.82%-4.24%	2.82%-4.24%

20. INTANGIBLE ASSETS

	Computer Software	Franchises	Trademarks	Customer Relationships	Goodwill	Other Intangible Assets	Total
<u>Cost</u>							
Balance on January 1, 2024	\$ 3,278,300	\$ 37,659,600	\$ 465,912	\$ 6,097,632	\$ 15,134,431	\$ 217,421	\$ 62,853,296
Acquisitions through business combinations	-	-	-	-	11,991	-	11,991
Additions - acquired separately	200,783	-	-	-	-	-	200,783
Disposal of subsidiary (Note 45)	(35,765)	-	(484,936)	(6,346,616)	(12,187,864)	(223,130)	(19,278,311)
Foreign exchange	13,002	-	19,024	248,984	478,253	8,753	768,016
Balance on September 30, 2024	<u>\$ 3,456,320</u>	<u>\$ 37,659,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,436,811</u>	<u>\$ 3,044</u>	<u>\$ 44,555,775</u>
<u>Amortization and impairment</u>							
Balance on January 1, 2024	\$ 2,712,727	\$ 17,092,822	\$ -	\$ 3,310,815	\$ -	\$ 214,377	\$ 23,330,741
Amortization	156,734	1,341,311	-	101,143	-	-	1,599,188
Disposal of subsidiary (Note 45)	(35,765)	-	-	(3,548,898)	-	(223,130)	(3,807,793)
Foreign exchange	11,502	-	-	136,940	-	8,753	157,195
Balance on September 30, 2024	<u>\$ 2,845,198</u>	<u>\$ 18,434,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,279,331</u>
Carrying amount on September 30, 2024	<u>\$ 611,122</u>	<u>\$ 19,225,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,436,811</u>	<u>\$ 3,044</u>	<u>\$ 23,276,444</u>
<u>Cost</u>							
Balance on January 1, 2025	\$ 3,536,081	\$ 37,659,600	\$ -	\$ -	\$ 3,436,811	\$ 2,676	\$ 44,635,168
Additions - acquired separately	197,143	-	128	-	-	2,180	199,451
Disposal and retirement	(1,920)	-	-	-	-	-	(1,920)
Foreign exchange	(14,822)	-	-	-	-	-	(14,822)
Balance on September 30, 2025	<u>\$ 3,716,482</u>	<u>\$ 37,659,600</u>	<u>\$ 128</u>	<u>\$ -</u>	<u>\$ 3,436,811</u>	<u>\$ 4,856</u>	<u>\$ 44,817,877</u>
<u>Amortization and impairment</u>							
Balance on January 1, 2025	\$ 2,943,787	\$ 18,881,238	\$ -	\$ -	\$ -	\$ -	\$ 21,825,025
Amortization	151,758	1,341,311	1	-	-	-	1,493,070
Disposal and retirement	(1,920)	-	-	-	-	-	(1,920)
Foreign exchange	(13,091)	-	-	-	-	-	(13,091)
Balance on September 30, 2025	<u>\$ 3,080,534</u>	<u>\$ 20,222,549</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,303,084</u>
Carrying amount on December 31, 2024 and January 1, 2025	<u>\$ 592,294</u>	<u>\$ 18,778,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,436,811</u>	<u>\$ 2,676</u>	<u>\$ 22,810,143</u>
Carrying amount on September 30, 2025	<u>\$ 635,948</u>	<u>\$ 17,437,051</u>	<u>\$ 127</u>	<u>\$ -</u>	<u>\$ 3,436,811</u>	<u>\$ 4,856</u>	<u>\$ 21,514,793</u>

a. Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	1-10 years
Franchises	20 years
Trademarks	46 years
Customer relationships	5-15 years

b. The Group recognized goodwill in the acquisitions of (1) all assets, liabilities and operations (except reserved assets and liabilities) of Global Life Insurance Co., Ltd. and Singfor Life Insurance Co., Ltd., on July 1, 2015; (2) 100% interest in Conning Holdings Limited on September 18, 2015; (3) 81.89% interest in Octagon Credit Investors, LLC (through Conning & Company, a 100% owned subsidiary of the Group) on February 1, 2016; and (4) 8% equity shares in Global Evolution Holding ApS by Conning Holdings Limited, which increased its ownership interest to 53% on June 25, 2020; (5) Cathay Power and its subsidiaries, which increased its ownership interest to 70% on November 25, 2022; (6) 55.5% equity interest in Pearlmark Real Estate LLC (through Conning & Company, a 100% owned subsidiary of the group) on March 28, 2023. The goodwill recognized in the acquisition of Pearlmark and its subsidiaries mainly represents the control premium. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. Goodwill increased by \$11,991 thousand from January 1 to March 31, 2024 as a result of adjustments to the identifiable net assets acquired during the measurement period.

c. The Company disposed of its shares of CHL and its subsidiaries on April 3, 2024. Thus the goodwill arising from the acquisition was eliminated. Refer to Note 45 for related information.

d. An annual impairment test for goodwill is performed regularly. The Group estimated the recoverable amount of the cash-generating unit that the goodwill is allocated to for the purpose of impairment test. The recoverable amount is calculated by applying a proper discount rate. Since the recoverable amount is higher than the book value of the cash-generating unit that the goodwill was allocated to, no impairment is incurred for goodwill.

21. OTHER ASSETS

	September 30, 2025	December 31, 2024	September 30, 2024
Insurance Industry Stability Fund (a)	\$ 15,371,195	\$ 14,929,232	\$ 14,742,196
Less: Reserve for Insurance Industry Stability Fund (a)	(15,371,195)	(14,929,232)	(14,742,196)
Guarantee deposits paid (b)	51,838,075	74,212,642	23,900,287
Deferred acquisition costs (c)	224,828	252,644	261,917
Prepayments	1,669,349	1,529,042	1,080,389
Net defined benefit assets	12,006,119	11,742,537	8,664,097
Others	<u>3,277,673</u>	<u>3,243,703</u>	<u>3,071,316</u>
	<u><u>\$ 69,016,044</u></u>	<u><u>\$ 90,980,568</u></u>	<u><u>\$ 36,978,006</u></u>

a. Under Tai-Tsai-Bao No. 811769212 issued by the Ministry of Finance on December 31, 1992, one thousandth (1/1000) of premiums should be contributed to the Insurance Industry Stabilization Fund starting from January 1, 1993. According to the Standard of Contribution to Life and Property Insurance Stabilization Fund, starting from July 1, 2014, the contribution to the Insurance Industry Stabilization Fund of Life Insurance Enterprises should be based on the premium income and contribution rate calculated using the difference between capital adequacy ratio and management performance rating indicator. The credit account, reserve for Insurance Industry Stabilization Fund, is a contra account of the Insurance Industry Stabilization Fund.

b. Guarantee deposits paid are comprised of:

	September 30, 2025	December 31, 2024	September 30, 2024
Insurance operation guarantee deposit	\$ 11,847,232	\$ 11,880,207	\$ 12,081,975
Deposit for futures and options trading	2,673,629	5,212,432	5,005,923
Deposit for derivatives trading	13,484,487	33,264,490	4,911,455
Other guarantee deposits	<u>23,832,727</u>	<u>23,855,513</u>	<u>1,900,934</u>
	<u><u>\$ 51,838,075</u></u>	<u><u>\$ 74,212,642</u></u>	<u><u>\$ 23,900,287</u></u>

The Group provided cash, demand deposits, time deposits and government bonds as guarantees. Refer to Note 39 for related information.

c. Deferred acquisition costs

The Company issues investment-linked insurance contracts without discretionary participation feature of financial instruments. Deferred acquisition costs related to investment management services of such contracts are summarized below:

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 252,644	\$ 289,733
Amortization	<u>(27,816)</u>	<u>(27,816)</u>
Ending balance	<u><u>\$ 224,828</u></u>	<u><u>\$ 261,917</u></u>

22. PAYABLES

	September 30, 2025	December 31, 2024	September 30, 2024
Notes payable	\$ 361	\$ 891,211	\$ 765,056
Claims payable	1,089,041	1,096,996	1,089,808
Commissions payable	4,547,851	3,905,161	2,634,849
Due to reinsurers and ceding companies	760,799	960,981	1,351,972
Other payables	<u>48,205,779</u>	<u>25,736,177</u>	<u>17,299,547</u>
	<u><u>\$ 54,603,831</u></u>	<u><u>\$ 32,590,526</u></u>	<u><u>\$ 23,141,232</u></u>

23. SHORT-TERM DEBT

	September 30, 2025	December 31, 2024	September 30, 2024
Commercial paper payable	\$ 1,472,500	\$ -	\$ -
Less: Discount on commercial paper payable	<u>(2,403)</u>	<u>-</u>	<u>-</u>
	<u><u>\$ 1,470,097</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Interest rate range	2.10%-3.00%	-	-

The above-mentioned commercial paper payable are guaranteed or accepted by the bill companies and banks.

24. BONDS PAYABLE

	September 30, 2025	December 31, 2024	September 30, 2024
First perpetual non-cumulative subordinated corporate bonds of 2016 (a)	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000
First perpetual cumulative subordinated corporate bonds of 2017 (b)	35,000,000	35,000,000	35,000,000
First perpetual cumulative subordinated corporate bonds of 2019 (c)	10,000,000	10,000,000	10,000,000
First unsecured cumulative subordinated corporate bonds of 2023 (d)	25,100,000	25,100,000	25,100,000
Second USD-denominated unsecured cumulative subordinated corporate bonds of 2023 (e)	3,442,997	3,704,253	3,576,563
Third USD-denominated unsecured cumulative subordinated corporate bonds of 2023 (f)	761,725	819,525	791,275
Fourth unsecured cumulative subordinated corporate bonds of 2023 (g)	5,500,000	5,500,000	5,500,000
First unsecured cumulative subordinated corporate bonds of 2024 (h)	44,000,000	44,000,000	44,000,000
Second USD-denominated unsecured cumulative subordinated corporate bonds of 2024 (i)	5,697,703	6,130,047	5,918,737
Overseas ten-year USD-denominated unsecured cumulative Tier 2 subordinated corporate bonds (j)	18,281,400	19,668,600	18,990,600
Overseas fifteen-year USD-denominated unsecured cumulative Tier 2 subordinated corporate bonds (k)	9,750,080	10,489,920	10,128,320
Discounts on bonds payable	(136,941)	(155,015)	(77,770)
	<u>\$ 192,396,964</u>	<u>\$ 195,257,330</u>	<u>\$ 193,927,725</u>

a. Pursuant to Jin Guan Bao Shou No. 10502133020 by the FSC, the Company issued first perpetual non-cumulative subordinated corporate bonds on December 13, 2016 through private placement. Key terms and conditions are as follows:

- 1) Issue amount: \$35,000,000 thousand.
- 2) Principal amount and issue price: The face value is \$1,000,000 thousand each, and is issued at par.
- 3) Years to maturity: Perpetual.
- 4) Coupon rate: From the issue date to the tenth year, the coupon rate is 3.6%; from the day following the tenth year maturity and on every tenth year maturity from then on, if the bonds are not redeemed, the coupon rate will be adjusted to a fixed annual rate of Taiwan 10 years government bond plus the issue spread.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date. The Company may stop making interest payments and such interest payments will not be cumulated or deferred under the following circumstances: The Company has no earnings or the earnings are insufficient to make interest payments; the Company would fail to meet the required risk-based capital (“RBC”) ratio or other minimum requirements from the authorities if making those interest payments; the Company has other essential considerations.

- 6) Right of early redemption: The Company may, with the approval of the authorities, redeem the bonds in whole after 10 years of the issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest. The Company may redeem the bond once a year.
- 7) Forms of bonds: Physical certificate.
- 8) Interest expense: Interest expense of \$317,589 thousand, \$316,722 thousand, \$942,411 thousand and \$943,279 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

b. Pursuant to Order No. Securities-TPEX-Bond-10600099421 of the Taipei Exchange, the Company issued first perpetual cumulative subordinated corporate bonds on May 12, 2017 through public offering. Key terms and conditions are as follows:

- 1) Issue amount: \$35,000,000 thousand.
- 2) Principal amount and issue price: The face value is \$1,000 thousand each, and is issued at par.
- 3) Years to maturity: Perpetual.
- 4) Coupon rate: Fixed rate of 3.3% from the issue date to the tenth year, plus 1% if the bonds are not redeemed after the tenth year maturity.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: If the Company's RBC ratio is greater than twice the minimum RBC ratio required for insurance companies, the Company may, with the approval of the authorities, redeem the bonds in whole after 10 years of the issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$291,095 thousand, \$291,095 thousand, \$863,870 thousand and \$865,900 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

c. Pursuant to Order No. Securities-TPEX-Bond-10800055731 of the Taipei Exchange, the Company issued first perpetual cumulative subordinated corporate bonds on June 26, 2019 through public offering. Key terms and conditions are as follows:

- 1) Issue amount: \$10,000,000 thousand.
- 2) Principal amount and issue price: The face value is \$1,000 thousand each, and is issued at par.
- 3) Years to maturity: Perpetual.
- 4) Coupon rate: Fixed rate of 3%.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.

- 6) Right of early redemption: If the Company's RBC ratio is greater than twice the minimum RBC ratio required for insurance companies, the Company may, with the approval of the authorities, redeem the bonds in whole after 10 years of the issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$75,620 thousand, \$75,620 thousand, \$224,390 thousand and \$224,810 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

d. Pursuant to Order No. Securities-TPEX-Bond-11200070741 of the Taipei Exchange, the Company issued first domestic unsecured cumulative subordinated corporate bonds on August 1, 2023. Key terms and conditions are as follows:

- 1) Issue amount: \$25,100,000 thousand, which is divided into Note A of \$17,600,000 thousand and Note B of \$7,500,000 thousand by issue terms.
- 2) Principal amount and issue price: The face value is \$1,000 thousand each and is issued at par.
- 3) Years to maturity: Note A is 10 years, and Note B is 15 years.
- 4) Coupon rate: Fixed rate of 3.70% for Note A and 3.85% for Note B.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: If the Company's RBC ratio is greater than the minimum RBC ratio required for insurance companies, the Company may, with the approval of the authorities, redeem the Note B bonds in whole after 10 years of their issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$236,917 thousand, \$236,709 thousand, \$703,032 thousand and \$704,119 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

e. Pursuant to Order No. Securities-TPEX-Bond-11200073801 of the Taipei Exchange, the Company issued second domestic USD-denominated unsecured cumulative subordinated corporate bonds on August 7, 2023. Key terms and conditions are as follows:

- 1) Issue amount: US\$113,000 thousand.
- 2) Principal amount and issue price: The face value is US\$100 thousand each and is issued at par.
- 3) Years to maturity: 10 years.
- 4) Coupon rate: Fixed rate of 6.1%.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: None.
- 7) Forms of bonds: Book-entry securities.

8) Interest expense: Interest expense of \$52,266 thousand, \$55,389 thousand, \$161,725 thousand and \$165,846 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

f. Pursuant to Order No. Securities-TPEx-Bond-11200097881 of the Taipei Exchange, the Company issued third domestic USD-denominated unsecured cumulative subordinated corporate bonds on October 4, 2023. Key terms and conditions are as follows:

- 1) Issue amount: US\$25,000 thousand.
- 2) Principal amount and issue price: The face value is US\$100 thousand each and is issued at par.
- 3) Years to maturity: 10 years.
- 4) Coupon rate: Fixed rate of 6.1%.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: None.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$11,564 thousand, \$12,657 thousand, \$35,780 thousand and \$37,094 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

g. Pursuant to Order No. Securities-TPEx-Bond-11200099051 of the Taipei Exchange, the Company issued fourth domestic unsecured cumulative subordinated corporate bonds on October 12, 2023. Key terms and conditions are as follows:

- 1) Issue amount: \$5,500,000 thousand, which is divided into Note A of \$2,500,000 thousand and Note B of \$3,000,000 thousand by issue terms.
- 2) Principal amount and issue price: The face value is \$1,000 thousand each and is issued at par.
- 3) Years to maturity: Note A is 10 years, and Note B is 15 years.
- 4) Coupon rate: Fixed rate of 3.70% for Note A and 3.85% for Note B.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: If the Company's RBC ratio is greater than the minimum RBC ratio required for insurance companies, the Company may, with the approval of the authorities, redeem the Note B bonds in whole after 10 years of their issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$52,427 thousand, \$52,287 thousand, \$155,573 thousand and \$155,717 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

h. Pursuant to Order No. Securities-TPEX-Bond-11300018721 of the Taipei Exchange, the Company issued its first domestic unsecured cumulative subordinated corporate bonds on April 24, 2024. Key terms and conditions are as follows:

- 1) Issue amount: \$44,000,000 thousand, which is divided into Note A of \$32,350,000 thousand and Note B of \$11,650,000 thousand by issue terms.
- 2) Principal amount and issue price: The face value is \$1,000 thousand each and is issued at par.
- 3) Years to maturity: Note A is 10 years, and Note B is 15 years.
- 4) Coupon rate: Fixed rate of 3.70% for Note A and 3.85% for Note B.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: If the Company's RBC ratio is greater than the minimum RBC ratio required for insurance companies, the Company may, with the approval of the authorities, redeem the Note B bonds in whole after 10 years of their issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$414,747 thousand, \$414,748 thousand, \$1,230,727 thousand and \$721,302 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

i. Pursuant to Order No. Securities-TPEX-Bond-11300025291 of the Taipei Exchange, the Company issued its second domestic USD-denominated unsecured cumulative subordinated corporate bonds on May 9, 2024. Key terms and conditions are as follows:

- 1) Issue amount: US\$187,000 thousand.
- 2) Principal amount and issue price: The face value is US\$100 thousand each and is issued at par.
- 3) Years to maturity: 10 years.
- 4) Coupon rate: Fixed rate of 5.80%.
- 5) Terms of interest payments: The interest payments are calculated and paid at coupon rate every year from the issue date.
- 6) Right of early redemption: None.
- 7) Forms of bonds: Book-entry securities.
- 8) Interest expense: Interest expense of \$82,241 thousand, \$87,154 thousand, \$254,471 thousand and \$137,973 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

- j. On July 5, 2024, Cathaylife Singapore Pte. Ltd. issued overseas ten-year USD-denominated unsecured cumulative Tier 2 subordinated corporate bonds due in 2034. The Company acts as the guarantor. Key terms and conditions are as follows:
 - 1) Issue amount: US\$600,000 thousand.
 - 2) Principal amount and issue price: The face value is US\$200 thousand each and integral multiples of US\$1,000 in excess; the issue price was 99.717.
 - 3) Years to maturity: 10 years.
 - 4) Coupon rate: Fixed rate of 5.95%.
 - 5) Terms of interest payments: The interest payments are calculated and paid at the coupon rate semi-annually from the issue date.
 - 6) Right of early redemption: None.
 - 7) Forms of bonds: Book-entry securities.
 - 8) Interest expense: Interest expense of \$266,250 thousand, \$268,955 thousand, \$838,416 thousand and \$268,955 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.
- k. On September 5, 2024, Cathaylife Singapore Pte. Ltd. issued overseas fifteen-year USD-denominated unsecured cumulative Tier 2 subordinated corporate bonds due in 2039. The Company acts as the guarantor. Key terms and conditions are as follows:
 - 1) Issue amount: US\$320,000 thousand.
 - 2) Principal amount and issue price: The face value is US\$200 thousand each and integral multiples of US\$1,000 in excess; the issue price was 99.777.
 - 3) Years to maturity: 15 years.
 - 4) Coupon rate: Fixed rate of 5.30%.
 - 5) Terms of interest payments: The interest payments are calculated and paid at the coupon rate semi-annually from the issue date.
 - 6) Right of early redemption: If the Company's RBC ratio is greater than the minimum RBC ratio required for insurance companies, Cathaylife Singapore Pte. Ltd. may, with the approval of the authorities, redeem the bonds in whole after 10 years of the issuance, at a redemption price equal to 100% of the principal amount of the bonds to be redeemed, plus accrued and unpaid interest.
 - 7) Forms of bonds: Book-entry securities.
 - 8) Interest expense: Interest expense of \$127,838 thousand, \$37,425 thousand, \$399,845 thousand and \$37,425 thousand was recorded as finance costs for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

25. INSURANCE LIABILITIES

The details of insurance contracts and financial instruments with discretionary participation feature are summarized below:

a. The Company

1) Unearned premium reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Insurance Contracts	Discretionary Participation Feature		Insurance Contracts	Discretionary Participation Feature		Insurance Contracts	Discretionary Participation Feature
Individual life insurance	\$ 24,606	\$ -	\$ 24,606	\$ 65,983	\$ -	\$ 65,983	\$ 79,947	\$ -	\$ 79,947
Individual injury insurance	9,080,200	-	9,080,200	8,893,208	-	8,893,208	8,375,032	-	8,375,032
Individual health insurance	12,378,612	-	12,378,612	12,491,218	-	12,491,218	11,677,200	-	11,677,200
Group insurance	1,238,399	-	1,238,399	1,068,249	-	1,068,249	1,137,681	-	1,137,681
Investment-linked insurance	133,558	-	133,558	126,888	-	126,888	125,380	-	125,380
	<u>22,855,375</u>	<u>-</u>	<u>22,855,375</u>	<u>22,645,546</u>	<u>-</u>	<u>22,645,546</u>	<u>21,395,240</u>	<u>-</u>	<u>21,395,240</u>
Less ceded unearned premium reserve									
Individual life insurance	539,250	-	539,250	568,065	-	568,065	525,677	-	525,677
Individual injury insurance	29,535	-	29,535	-	-	-	7,316	-	7,316
Individual health insurance	429,938	-	429,938	419,349	-	419,349	359,403	-	359,403
Group insurance	561	-	561	-	-	-	529	-	529
Investment-linked insurance	1,308	-	1,308	-	-	-	-	-	-
	<u>1,000,592</u>	<u>-</u>	<u>1,000,592</u>	<u>987,414</u>	<u>-</u>	<u>987,414</u>	<u>892,925</u>	<u>-</u>	<u>892,925</u>
	<u><u>\$ 21,854,783</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,854,783</u></u>	<u><u>\$ 21,658,132</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,658,132</u></u>	<u><u>\$ 20,502,315</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,502,315</u></u>

The changes in unearned premium reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 22,645,546	\$ -	\$ 22,645,546	\$ 21,238,149	\$ -	\$ 21,238,149
Provision	22,855,468	-	22,855,468	21,395,194	-	21,395,194
Recovery	(22,645,546)	-	(22,645,546)	(21,238,149)	-	(21,238,149)
Foreign exchange	(93)	-	(93)	46	-	46
Ending balance	<u>22,855,375</u>	<u>-</u>	<u>22,855,375</u>	<u>21,395,240</u>	<u>-</u>	<u>21,395,240</u>
Less ceded unearned premium reserve						
Beginning balance	987,414	-	987,414	1,241,869	-	1,241,869
Increase	13,178	-	13,178	-	-	-
Decrease	-	-	-	(348,944)	-	(348,944)
Ending balance	<u>1,000,592</u>	<u>-</u>	<u>1,000,592</u>	<u>892,925</u>	<u>-</u>	<u>892,925</u>
Net ending balance	<u><u>\$ 21,854,783</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 21,854,783</u></u>	<u><u>\$ 20,502,315</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 20,502,315</u></u>

2) Loss reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Financial Instruments with Discretionary Participation Feature		Total	Financial Instruments with Discretionary Participation Feature		Total	Financial Instruments with Discretionary Participation Feature		Total
	Insurance Contracts	Feature		Insurance Contracts	Feature		Insurance Contracts	Feature	
Individual life insurance									
Filed but not paid	\$ 4,144,996	\$ 26,165	\$ 4,171,161	\$ 4,266,293	\$ 21,053	\$ 4,287,346	\$ 3,881,008	\$ 16,509	\$ 3,897,517
Not yet filed	17,924	-	17,924	31,810	-	31,810	33,607	-	33,607
Individual injury insurance									
Filed but not paid	291,597	-	291,597	255,145	-	255,145	80,037	-	80,037
Not yet filed	2,813,991	-	2,813,991	2,805,526	-	2,805,526	2,516,300	-	2,516,300
Individual health insurance									
Filed but not paid	880,861	-	880,861	851,613	-	851,613	1,054,287	-	1,054,287
Not yet filed	5,092,405	-	5,092,405	4,801,827	-	4,801,827	4,779,158	-	4,779,158
Group insurance									
Filed but not paid	264,990	-	264,990	254,178	-	254,178	63,664	-	63,664
Not yet filed	983,380	-	983,380	1,054,922	-	1,054,922	877,864	-	877,864
Investment-linked insurance									
Filed but not paid	266,472	-	266,472	266,127	-	266,127	208,377	-	208,377
Not yet filed	80	-	80	4,292	-	4,292	2,003	-	2,003
	<u>14,756,696</u>	<u>26,165</u>	<u>14,782,861</u>	<u>14,591,733</u>	<u>21,053</u>	<u>14,612,786</u>	<u>13,496,305</u>	<u>16,509</u>	<u>13,512,814</u>
Less ceded loss reserve									
Individual life insurance	15,754	-	15,754	9,742	-	9,742	90,441	-	90,441
Individual health insurance	5,847	-	5,847	2,847	-	2,847	10,008	-	10,008
	<u>21,601</u>	<u>-</u>	<u>21,601</u>	<u>12,589</u>	<u>-</u>	<u>12,589</u>	<u>100,449</u>	<u>-</u>	<u>100,449</u>
	<u><u>\$ 14,735,095</u></u>	<u><u>\$ 26,165</u></u>	<u><u>\$ 14,761,260</u></u>	<u><u>\$ 14,579,144</u></u>	<u><u>\$ 21,053</u></u>	<u><u>\$ 14,600,197</u></u>	<u><u>\$ 13,395,856</u></u>	<u><u>\$ 16,509</u></u>	<u><u>\$ 13,412,365</u></u>

The changes of loss reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 14,591,733	\$ 21,053	\$ 14,612,786	\$ 12,689,212	\$ 10,835	\$ 12,700,047
Provision	14,813,036	26,165	14,839,201	13,479,559	16,509	13,496,068
Recovery	(14,591,733)	(21,053)	(14,612,786)	(12,689,212)	(10,835)	(12,700,047)
Foreign exchange	(56,340)	-	(56,340)	16,746	-	16,746
Ending balance	<u>14,756,696</u>	<u>26,165</u>	<u>14,782,861</u>	<u>13,496,305</u>	<u>16,509</u>	<u>13,512,814</u>
Less ceded loss reserve						
Beginning balance	12,589	-	12,589	107,237	-	107,237
Increase	9,012	-	9,012	-	-	-
Decrease	-	-	-	(6,788)	-	(6,788)
Ending balance	<u>21,601</u>	<u>-</u>	<u>21,601</u>	<u>100,449</u>	<u>-</u>	<u>100,449</u>
Net ending balance	<u><u>\$ 14,735,095</u></u>	<u><u>\$ 26,165</u></u>	<u><u>\$ 14,761,260</u></u>	<u><u>\$ 13,395,856</u></u>	<u><u>\$ 16,509</u></u>	<u><u>\$ 13,412,365</u></u>

3) Policy reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Financial Instruments with Discretionary Participation Feature		Total	Financial Instruments with Discretionary Participation Feature		Total	Financial Instruments with Discretionary Participation Feature		Total
	Insurance Contracts			Insurance Contracts			Insurance Contracts		
Life insurance (Note 1)	\$ 5,704,098,058	\$ 1,911	\$ 5,704,099,969	\$ 5,824,252,901	\$ 1,914	\$ 5,824,254,815	\$ 5,767,149,284	\$ 1,928	\$ 5,767,151,212
Injury insurance	8,177,289	-	8,177,289	7,874,472	-	7,874,472	7,752,215	-	7,752,215
Health insurance	1,112,480,514	-	1,112,480,514	1,073,455,945	-	1,073,455,945	1,054,956,144	-	1,054,956,144
Annuity insurance	1,024,922	3,884,099	4,909,021	1,050,400	4,666,247	5,716,647	1,061,212	4,873,546	5,934,758
Investment-linked insurance	1,171,221	-	1,171,221	1,144,416	-	1,144,416	1,083,572	-	1,083,572
Total (Note 2)	<u>6,826,952,004</u>	<u>3,886,010</u>	<u>6,830,838,014</u>	<u>6,907,778,134</u>	<u>4,668,161</u>	<u>6,912,446,295</u>	<u>6,832,002,427</u>	<u>4,875,474</u>	<u>6,836,877,901</u>
Less ceded policy reserve									
Life insurance	288,038	-	288,038	321,483	-	321,483	332,821	-	332,821
	<u>\$ 6,826,663,966</u>	<u>\$ 3,886,010</u>	<u>\$ 6,830,549,976</u>	<u>\$ 6,907,456,651</u>	<u>\$ 4,668,161</u>	<u>\$ 6,912,124,812</u>	<u>\$ 6,831,669,606</u>	<u>\$ 4,875,474</u>	<u>\$ 6,836,545,080</u>

The changes of policy reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 6,907,778,134	\$ 4,668,161	\$ 6,912,446,295	\$ 6,728,866,194	\$ 5,626,906	\$ 6,734,493,100
Provision	357,183,072	37,408	357,220,480	333,934,748	40,758	333,975,506
Recovery (Note 3)	(318,678,472)	(819,556)	(319,498,028)	(280,645,771)	(792,198)	(281,437,969)
Foreign exchange	(117,480,625)	(3)	(117,480,628)	49,847,256	8	49,847,264
Reclassified to reserve for foreign exchange valuation (Note 1)	<u>(1,850,105)</u>	<u>-</u>	<u>(1,850,105)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance	<u>6,826,952,004</u>	<u>3,886,010</u>	<u>6,830,838,014</u>	<u>6,832,002,427</u>	<u>4,875,474</u>	<u>6,836,877,901</u>

(Continued)

For the Nine Months Ended September 30

	2025			2024		
	Financial Instruments with Discretionary Participation Feature		Total	Financial Instruments with Discretionary Participation Feature		Total
	Insurance Contracts	Insurance Contracts	Total	Insurance Contracts	Insurance Contracts	Total
Less ceded policy reserve						
Beginning balance	\$ 321,483	\$ -	\$ 321,483	\$ 339,816	\$ -	\$ 339,816
Decrease	(19,388)	-	(19,388)	(21,892)	-	(21,892)
Foreign exchange	(14,057)	-	(14,057)	14,897	-	14,897
Ending balance	<u>288,038</u>	<u>-</u>	<u>288,038</u>	<u>332,821</u>	<u>-</u>	<u>332,821</u>
Net ending balance	<u><u>\$ 6,826,663,966</u></u>	<u><u>\$ 3,886,010</u></u>	<u><u>\$ 6,830,549,976</u></u>	<u><u>\$ 6,831,669,606</u></u>	<u><u>\$ 4,875,474</u></u>	<u><u>\$ 6,836,545,080</u></u>
	(Concluded)					

Note 1: As of December 31, 2024 and September 30, 2024, allowance for doubtful account pertinent to 3% business tax cut and recovery of reserve for catastrophic event are included. Moreover, according to Jin Guan Bao Shou No. 1140420671 issued on May 28, 2025, the aforementioned reserve amounting to \$1,850,105 thousand has been reclassified to the reserve for foreign exchange valuation.

Note 2: Total policy reserve including policy-reserve payables for the insured amounted to \$6,834,110,668 thousand, \$6,915,551,389 thousand and \$6,838,920,278 thousand as of September 30, 2025, December 31, 2024 and September 30, 2024, respectively.

Note 3: In accordance with Jin Guan Bao Tsai No. 11404924811 issued on June 30, 2025, adjustments were made to the applicable interest rates and mortality rates for selected insurance products. The difference in policy reserves before and after adjustment may be released within 40% of the difference between the most recent fair value of liabilities and the carrying amount of policy reserves. After submission for regulatory approval, consent was obtained via Jin Guan Bao Shou No. 1140424941 allowing a release of \$49,899,309 thousand from policy reserve as of June 30, 2025. Furthermore, approval was granted under Jin Guan Bao Shou No. 1140424940 to increase the reserve for foreign exchange valuation.

4) Special reserve

	September 30, 2025				December 31, 2024				September 30, 2024			
	Financial Instruments with Discretionary Participation Feature		Other	Total	Financial Instruments with Discretionary Participation Feature		Other	Total	Financial Instruments with Discretionary Participation Feature		Other	Total
	Insurance Contracts				Insurance Contracts				Insurance Contracts			
Participating policies dividends reserve	\$ 25,801	\$ -	\$ -	\$ 25,801	\$ 23,656	\$ -	\$ -	\$ 23,656	\$ 20,826	\$ -	\$ -	\$ 20,826
Special reserve for revaluation increments of property	-	-	-	-	-	-	11,083,324	11,083,324	-	-	11,083,324	11,083,324
	<u>\$ 25,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,801</u>	<u>\$ 23,656</u>	<u>\$ -</u>	<u>\$ 11,083,324</u>	<u>\$ 11,083,324</u>	<u>\$ 20,826</u>	<u>\$ -</u>	<u>\$ 11,083,324</u>	<u>\$ 11,083,324</u>

The changes of special reserve are summarized below:

	For the Nine Months Ended September 30							
	2025				2024			
	Financial Instruments with Discretionary Participation Feature		Other	Total	Financial Instruments with Discretionary Participation Feature		Other	Total
	Insurance Contracts				Insurance Contracts			
Beginning balance	\$ 23,656	\$ -	\$ 11,083,324	\$ 11,106,980	\$ 7,215	\$ -	\$ 11,083,324	\$ 11,090,539
Provision for participating policies dividends reserve	19,136	-	-	19,136	23,431	-	-	23,431
Recovery of participating policies dividends reserve	(16,991)	-	-	(16,991)	(9,820)	-	-	(9,820)
Reclassified to reserve for foreign exchange valuation (Note)	-	-	(11,083,324)	(11,083,324)	-	-	-	-
Ending balance	<u>\$ 25,801</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,801</u>	<u>\$ 20,826</u>	<u>\$ -</u>	<u>\$ 11,083,324</u>	<u>\$ 11,104,150</u>

Note: In accordance with the Jin Guan Bao Shou No. 1140420671 issued on May 28, 2025, the special reserve for revaluation increments of property amounting to \$11,083,324 thousand has been reclassified to the reserve for foreign exchange valuation.

5) Premium deficiency reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Total			Total			Total	
Individual life insurance	\$ 4,083,105	\$ -	\$ 4,083,105	\$ 4,257,673	\$ -	\$ 4,257,673	\$ 4,787,706	\$ -	\$ 4,787,706
Individual injury insurance	2,904	-	2,904	3,370	-	3,370	3,508	-	3,508
Individual health insurance	1,420,673	-	1,420,673	1,439,539	-	1,439,539	1,395,391	-	1,395,391
Group insurance	66,867	-	66,867	18,869	-	18,869	166,592	-	166,592
	<u>\$ 5,573,549</u>	<u>\$ -</u>	<u>\$ 5,573,549</u>	<u>\$ 5,719,451</u>	<u>\$ -</u>	<u>\$ 5,719,451</u>	<u>\$ 6,353,197</u>	<u>\$ -</u>	<u>\$ 6,353,197</u>

The changes of premium deficiency reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 5,719,451	\$ -	\$ 5,719,451	\$ 6,770,608	\$ -	\$ 6,770,608
Provision	1,095,415	-	1,095,415	177,362	-	177,362
Recovery	(1,178,741)	-	(1,178,741)	(637,195)	-	(637,195)
Foreign exchange	(62,576)	-	(62,576)	42,422	-	42,422
Ending balance	<u>\$ 5,573,549</u>	<u>\$ -</u>	<u>\$ 5,573,549</u>	<u>\$ 6,353,197</u>	<u>\$ -</u>	<u>\$ 6,353,197</u>

6) Other reserve

	September 30, 2025			December 31, 2024			September 30, 2024			
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		
		Total	Total		Total	Total		Total	Total	
Other		\$ 100,394	\$ -	\$ 100,394	\$ 1,818,394	\$ -	\$ 1,818,394	\$ 1,831,756	\$ -	\$ 1,831,756

The changes of other reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 1,818,394	\$ -	\$ 1,818,394	\$ 1,834,253	\$ -	\$ 1,834,253
Recovery	(18,000)	-	(18,000)	(2,497)	-	(2,497)
Reclassified to reserve for foreign exchange valuation (Note)	<u>(1,700,000)</u>	<u>-</u>	<u>(1,700,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending balance	<u>\$ 100,394</u>	<u>\$ -</u>	<u>\$ 100,394</u>	<u>\$ 1,831,756</u>	<u>\$ -</u>	<u>\$ 1,831,756</u>

Note: In accordance with Jin Guan Bao Shou No. 1140420671 issued on May 28, 2025, the other reserve for business value of the acquisition amounting to \$1,700,000 thousand has been reclassified to the reserve for foreign exchange valuation.

7) Liability adequacy reserve

	Insurance Contracts and Financial Instruments with Discretionary Participation Feature		
	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	\$ 22,855,375	\$ 22,645,546	\$ 21,395,240
Policy reserve	6,834,110,668	6,915,551,389	6,838,920,278
Premium deficiency reserve	5,573,549	5,719,451	6,353,197
Other reserve	<u>100,394</u>	<u>1,818,394</u>	<u>1,831,756</u>
Book value of insurance liabilities	<u>\$ 6,862,639,986</u>	<u>\$ 6,945,734,780</u>	<u>\$ 6,868,500,471</u>
Estimated present value of cash flows	<u>\$ 6,288,954,890</u>	<u>\$ 6,281,340,645</u>	<u>\$ 6,220,509,449</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Shown by liability adequacy test range (integrated contract).

Note 2: Loss reserve and special reserve are not included in liability adequacy test. Loss reserve is determined based on claims incurred before valuation date and therefore not included in the test.

Note 3: The Company has settled the acquisition of Global Life and Singfor Life. Thus, the value of acquired business, i.e., other reserve, shall be considered when calculating the book value of insurance liability included in liability adequacy test.

Liability adequacy testing methodology is listed as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups	Integrated testing	Integrated testing	Integrated testing
Significant assumptions			
a) Information of policies	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.

(Continued)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
b) Discount rate	<p>Under assets allocation plan on June 30, 2025, discount rates are calculated using the best estimated scenario investment return based on actuary report of 2024. In addition, due to the adoption of the new framework for the reserve for foreign exchange valuation starting May 2025, the best estimated scenario assumptions have been adjusted accordingly to calculate the investment return, with neutral assumption for discount rates after 30 years.</p>	<p>Under assets allocation plan on September 30, 2024, discount rates are calculated using the best estimated scenario investment return based on actuary report of 2023, with neutral assumption for discount rates after 30 years.</p>	<p>Under assets allocation plan on June 30, 2024, discount rates are calculated using the best estimated scenario investment return based on actuary report of 2023, with neutral assumption for discount rates after 30 years.</p>

(Concluded)

b. Cathay Lujiazui Life

1) Unearned premium reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Total			Total			Total	
Individual injury insurance	\$ 4,005	\$ -	\$ 4,005	\$ 4,168	\$ -	\$ 4,168	\$ 4,293	\$ -	\$ 4,293
Individual health insurance	63,188	-	63,188	38,737	-	38,737	39,724	-	39,724
Group insurance	<u>279,300</u>	<u>-</u>	<u>279,300</u>	<u>453,769</u>	<u>-</u>	<u>453,769</u>	<u>443,971</u>	<u>-</u>	<u>443,971</u>
	<u><u>\$ 346,493</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 346,493</u></u>	<u><u>\$ 496,674</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 496,674</u></u>	<u><u>\$ 487,988</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 487,988</u></u>

The changes of unearned premium reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 496,674	\$ -	\$ 496,674	\$ 410,568	\$ -	\$ 410,568
Provision	355,104	-	355,104	484,256	-	484,256
Recovery	(483,018)	-	(483,018)	(424,480)	-	(424,480)
Foreign exchange	<u>(22,267)</u>	<u>-</u>	<u>(22,267)</u>	<u>17,644</u>	<u>-</u>	<u>17,644</u>
Ending balance	<u><u>\$ 346,493</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 346,493</u></u>	<u><u>\$ 487,988</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 487,988</u></u>

2) Loss reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Total	Insurance Contracts		Total	Insurance Contracts		Total	Insurance Contracts
Individual life insurance									
Filed but not paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Not yet filed	-	-	-	-	-	-	-	-	-
Individual injury insurance									
Filed but not paid	-	-	-	-	-	-	-	372	-
Not yet filed	351	-	351	109	-	-	109	1,952	-
Individual health insurance									
Filed but not paid	617	-	617	-	-	-	-	992	-
Not yet filed	14,343	-	14,343	17,810	-	-	17,810	18,823	-
Group insurance									
Filed but not paid	9,184	-	9,184	18,051	-	-	18,051	5,226	-
Not yet filed	477,740	<u>-</u>	<u>477,740</u>	<u>541,742</u>	<u>-</u>	<u>-</u>	<u>541,742</u>	<u>539,015</u>	<u>-</u>
	<u>502,235</u>	<u>-</u>	<u>502,235</u>	<u>577,712</u>	<u>-</u>	<u>-</u>	<u>577,712</u>	<u>566,380</u>	<u>-</u>
Less ceded loss reserve									
Individual injury insurance	20	-	20	13	-	-	13	471	-
Individual health insurance	3,523	-	3,523	4,337	-	-	4,337	4,836	-
Group insurance	4,121	-	4,121	3,423	-	-	3,423	2,840	-
	<u>7,664</u>	<u>-</u>	<u>7,664</u>	<u>7,773</u>	<u>-</u>	<u>-</u>	<u>7,773</u>	<u>8,147</u>	<u>-</u>
	<u><u>\$ 494,571</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 494,571</u></u>	<u><u>\$ 569,939</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 569,939</u></u>	<u><u>\$ 558,233</u></u>	<u><u>\$ -</u></u>
									<u><u>\$ 558,233</u></u>

The changes of loss reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 577,712	\$ -	\$ 577,712	\$ 556,828	\$ -	\$ 556,828
Provision	1,416,775	-	1,416,775	1,467,178	-	1,467,178
Recovery	(1,465,509)	-	(1,465,509)	(1,480,279)	-	(1,480,279)
Foreign exchange	(26,743)	-	(26,743)	22,653	-	22,653
Ending balance	<u>502,235</u>	<u>-</u>	<u>502,235</u>	<u>566,380</u>	<u>-</u>	<u>566,380</u>
Less ceded loss reserve						
Beginning balance	7,773	-	7,773	9,959	-	9,959
Increase	22,543	-	22,543	28,238	-	28,238
Decrease	(22,284)	-	(22,284)	(30,428)	-	(30,428)
Foreign exchange	(368)	-	(368)	378	-	378
Ending balance	<u>7,664</u>	<u>-</u>	<u>7,664</u>	<u>8,147</u>	<u>-</u>	<u>8,147</u>
Net ending balance	<u>\$ 494,571</u>	<u>\$ -</u>	<u>\$ 494,571</u>	<u>\$ 558,233</u>	<u>\$ -</u>	<u>\$ 558,233</u>

3) Policy reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Total	Feature		Total	Feature		Total	Feature
Life insurance	\$ 124,327,825	\$ -	\$ 124,327,825	\$ 92,926,941	\$ -	\$ 92,926,941	\$ 88,613,963	\$ -	\$ 88,613,963
Health insurance	11,913,989	-	11,913,989	10,657,826	-	10,657,826	9,596,472	-	9,596,472
Investment-linked insurance	750	-	750	673	-	673	710	-	710
	<u>136,242,564</u>	<u>-</u>	<u>136,242,564</u>	<u>103,585,440</u>	<u>-</u>	<u>103,585,440</u>	<u>98,211,145</u>	<u>-</u>	<u>98,211,145</u>
Less ceded policy reserve									
Life insurance	2,978	-	2,978	2,931	-	2,931	3,977	-	3,977
Health insurance	5,661	-	5,661	6,785	-	6,785	7,488	-	7,488
	<u>8,639</u>	<u>-</u>	<u>8,639</u>	<u>9,716</u>	<u>-</u>	<u>9,716</u>	<u>11,465</u>	<u>-</u>	<u>11,465</u>
	<u>\$ 136,233,925</u>	<u>\$ -</u>	<u>\$ 136,233,925</u>	<u>\$ 103,575,724</u>	<u>\$ -</u>	<u>\$ 103,575,724</u>	<u>\$ 98,199,680</u>	<u>\$ -</u>	<u>\$ 98,199,680</u>

The changes of policy reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 103,585,440	\$ -	\$ 103,585,440	\$ 72,258,070	\$ -	\$ 72,258,070
Provision	40,456,360	-	40,456,360	26,044,538	-	26,044,538
Recovery	(2,683,827)	-	(2,683,827)	(3,589,446)	-	(3,589,446)
Reclassification	72,441	-	72,441	228,390	-	228,390
Foreign exchange	(5,187,850)	-	(5,187,850)	3,269,593	-	3,269,593
Ending balance	<u>136,242,564</u>	<u>-</u>	<u>136,242,564</u>	<u>98,211,145</u>	<u>-</u>	<u>98,211,145</u>
Less ceded policy reserve						
Beginning balance	9,716	-	9,716	8,188	-	8,188
Increase	26,755	-	26,755	31,693	-	31,693
Decrease	(27,382)	-	(27,382)	(28,792)	-	(28,792)
Foreign exchange	(450)	-	(450)	376	-	376
Ending balance	<u>8,639</u>	<u>-</u>	<u>8,639</u>	<u>11,465</u>	<u>-</u>	<u>11,465</u>
Net ending balance	<u>\$ 136,233,925</u>	<u>\$ -</u>	<u>\$ 136,233,925</u>	<u>\$ 98,199,680</u>	<u>\$ -</u>	<u>\$ 98,199,680</u>

4) Liability adequacy reserve

Insurance Contracts and Financial Instruments with Discretionary Participation Feature			
	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	\$ 346,493	\$ 496,674	\$ 487,988
Policy reserve	<u>136,242,564</u>	<u>103,585,440</u>	<u>98,211,145</u>
Book value of insurance liabilities	<u>\$ 136,589,057</u>	<u>\$ 104,082,114</u>	<u>\$ 98,699,133</u>
Estimated present value of cash flows	<u>\$ 109,271,246</u>	<u>\$ 83,265,691</u>	<u>\$ 78,959,306</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Shown by liability adequacy test range (integrated contract).

Note 2: The loss reserve is not included in the liability adequacy test. The loss reserve is determined based on claims incurred before the valuation date and is therefore not included in the test.

Liability adequacy testing methodology is listed as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Test method:	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups:	Integrated testing	Integrated testing	Integrated testing
Significant assumptions			
a) Information of policies	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.
b) Discount rate	Discount rates are calculated using the best estimated scenario investment return based on actuary report of 2024, with neutral assumption for discount rates after 40 years.	Discount rates are calculated using the best estimated scenario investment return based on actuary report of 2023, with neutral assumption for discount rates after 40 years.	Discount rates are calculated using the best estimated scenario investment return based on actuary report of 2023, with neutral assumption for discount rates after 40 years.

c. Cathay Life (Vietnam)

1) Unearned premium reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Insurance Contracts	Total		Insurance Contracts	Total		Insurance Contracts	Total
Individual injury insurance	\$ 12,496	\$ -	\$ 12,496	\$ 13,118	\$ -	\$ 13,118	\$ 13,834	\$ -	\$ 13,834
Individual health insurance	<u>55,129</u>	<u>-</u>	<u>55,129</u>	<u>54,785</u>	<u>-</u>	<u>54,785</u>	<u>50,732</u>	<u>-</u>	<u>50,732</u>
	<u><u>\$ 67,625</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,625</u></u>	<u><u>\$ 67,903</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,903</u></u>	<u><u>\$ 64,566</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 64,566</u></u>

The changes of unearned premium reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 67,903	\$ -	\$ 67,903	\$ 62,117	\$ -	\$ 62,117
Provision	7,037	-	7,037	1,463	-	1,463
Foreign exchange	<u>(7,315)</u>	<u>-</u>	<u>(7,315)</u>	<u>986</u>	<u>-</u>	<u>986</u>
Ending balance	<u><u>\$ 67,625</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,625</u></u>	<u><u>\$ 64,566</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 64,566</u></u>

2) Loss reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Total	Insurance Contracts		Total	Insurance Contracts		Total	Insurance Contracts
Individual life insurance									
Filed but not paid	\$ 9,759	\$ -	\$ 9,759	\$ 9,395	\$ -	\$ 9,395	\$ 6,500	\$ -	\$ 6,500
Individual injury insurance									
Filed but not paid	2,653	-	2,653	2,568	-	2,568	2,135	-	2,135
Not yet filed	2,349	-	2,349	2,751	-	2,751	2,807	-	2,807
Individual health insurance									
Filed but not paid	18,560	-	18,560	18,073	-	18,073	20,085	-	20,085
Not yet filed	18,094	-	18,094	18,700	-	18,700	18,011	-	18,011
Investment-linked insurance									
Filed but not paid	<u>17,003</u>	<u>-</u>	<u>17,003</u>	<u>15,634</u>	<u>-</u>	<u>15,634</u>	<u>13,734</u>	<u>-</u>	<u>13,734</u>
	<u><u>\$ 68,418</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 68,418</u></u>	<u><u>\$ 67,121</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 67,121</u></u>	<u><u>\$ 63,272</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,272</u></u>

The changes of loss reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 67,121	\$ -	\$ 67,121	\$ 53,963	\$ -	\$ 53,963
Provision	8,597	-	8,597	8,417	-	8,417
Foreign exchange	<u>(7,300)</u>	<u>-</u>	<u>(7,300)</u>	<u>892</u>	<u>-</u>	<u>892</u>
Ending balance	<u><u>\$ 68,418</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 68,418</u></u>	<u><u>\$ 63,272</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 63,272</u></u>

3) Policy reserve

	September 30, 2025			December 31, 2024			September 30, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature		Insurance Contracts	Financial Instruments with Discretionary Participation Feature	
		Total			Total			Total	
Life insurance	\$ 11,789,755	\$ -	\$ 11,789,755	\$ 12,745,771	\$ -	\$ 12,745,771	\$ 12,589,220	\$ -	\$ 12,589,220
Investment-linked insurance	<u>2,999,718</u>	<u>-</u>	<u>2,999,718</u>	<u>2,640,796</u>	<u>-</u>	<u>2,640,796</u>	<u>2,440,047</u>	<u>-</u>	<u>2,440,047</u>
	<u><u>\$ 14,789,473</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,789,473</u></u>	<u><u>\$ 15,386,567</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,386,567</u></u>	<u><u>\$ 15,029,267</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,029,267</u></u>

The changes of policy reserve are summarized below:

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 15,386,567	\$ -	\$ 15,386,567	\$ 13,114,141	\$ -	\$ 13,114,141
Provision	1,037,322	-	1,037,322	1,700,319	-	1,700,319
Foreign exchange	<u>(1,634,416)</u>	<u>-</u>	<u>(1,634,416)</u>	<u>214,807</u>	<u>-</u>	<u>214,807</u>
Ending balance	<u><u>\$ 14,789,473</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,789,473</u></u>	<u><u>\$ 15,029,267</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,029,267</u></u>

4) Liability adequacy reserve

Insurance Contracts and Financial Instruments with Discretionary Participation Feature			
	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	\$ 67,625	\$ 67,903	\$ 64,566
Policy reserve	<u>14,789,473</u>	<u>15,386,567</u>	<u>15,029,267</u>
Book value of insurance liabilities	<u>\$ 14,857,098</u>	<u>\$ 15,454,470</u>	<u>\$ 15,093,833</u>
Estimated present value of cash flows	<u>\$ 8,416,081</u>	<u>\$ 8,076,311</u>	<u>\$ 7,985,863</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Shown by liability adequacy test range (integrated contract).

Note 2: Loss reserve is not included in liability adequacy test. Loss reserve is determined based on claims incurred before valuation date and therefore not included in the test.

Liability adequacy testing methodology is listed as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Test method:	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups:	Integrated testing	Integrated testing	Integrated testing
Significant assumptions			
a) Information of policies	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.	Include insurance contracts and financial instruments with discretionary participation feature as of valuation date.
b) Discount rate	Discount rates are calculated using the 5-year financial forecast return of the investments of the current year with neutral assumption for discount rates after 5 years.	Discount rates are calculated using the 5-year financial forecast return of the investments of the current year with neutral assumption for discount rates after 5 years.	Discount rates are calculated using the 5-year financial forecast return of the investments of the current year with neutral assumption for discount rates after 5 years.

26. RESERVE FOR INSURANCE CONTRACTS WITH THE NATURE OF FINANCIAL PRODUCTS

The Company and Cathay Lujiazui Life issued financial instruments without discretionary participation feature and recognized reserve for insurance contracts with the nature of financial products. As of September 30, 2025, December 31, 2024 and September 30, 2024, reserve for insurance contracts with the nature of financial products is summarized and reconciled as follows:

a. The Company

	September 30, 2025	December 31, 2024	September 30, 2024
Life insurance	\$ 66,744	\$ 66,188	\$ 68,058
Investment-linked insurance	<u>1,325,309</u>	<u>1,264,465</u>	<u>1,212,194</u>
	<u><u>\$ 1,392,053</u></u>	<u><u>\$ 1,330,653</u></u>	<u><u>\$ 1,280,252</u></u>
		For the Nine Months Ended September 30	
		2025	2024
Beginning balance	\$ 1,330,653	\$ 1,153,105	
Claims and payments	(925,126)	(883,325)	
Net provision of statutory reserve	1,014,177	1,000,488	
Foreign exchange	<u>(27,651)</u>	<u>9,984</u>	
Ending balance	<u><u>\$ 1,392,053</u></u>	<u><u>\$ 1,280,252</u></u>	

b. Cathay Lujiazui Life

	September 30, 2025	December 31, 2024	September 30, 2024
Life insurance	<u>\$ 26,574,509</u>	<u>\$ 25,530,443</u>	<u>\$ 25,306,303</u>
		For the Nine Months Ended September 30	
		2025	2024
Beginning balance	\$ 25,530,443	\$ 22,371,094	
Premiums received	3,703,392	3,957,245	
Claims and payments	(2,004,252)	(2,565,913)	
Net provision of statutory reserve	563,992	599,662	
Foreign exchange	<u>(1,219,066)</u>	<u>944,215</u>	
Ending balance	<u><u>\$ 26,574,509</u></u>	<u><u>\$ 25,306,303</u></u>	

27. RESERVE FOR FOREIGN EXCHANGE VALUATION

a. The hedging strategy and risk exposure

Based on the principle of risk control and to maintain the consistent level of reserve for foreign exchange valuation, the Company consistently adjusts the hedge ratios and risk exposure position under the risk control.

b. Reconciliation for reserve for foreign exchange valuation

	For the Nine Months Ended September 30, 2025					
	Reserve for Foreign Exchange Valuation	Special Reserve - Special Reserve for Revaluation Increments of Property	Life Insurance Policy Reserve - Operating Loss Reserve	Life Insurance Policy Reserve - Recovery of Catastrophic Event Reserve	Life Insurance Policy Reserve - Other Enhanced Provisions	Other Reserve - Business Value of the Acquisition
Beginning balance	\$ 27,514,387	\$ 11,083,324	\$ 980	\$ 63,291	\$ 1,785,834	\$ 1,818,394
Compulsory reserve	8,176,621	-	-	-	-	-
Additional reserve (Note 1)	<u>94,998,050</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recovery	103,174,671	-	-	-	-	-
Reclassified from policy reserves and other liability reserves (Note 2)	(89,520,267)	-	-	-	-	(18,000)
Ending balance	<u>\$ 55,802,220</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,394</u>
	For the Nine Months Ended September 30, 2024					
	Reserve for Foreign Exchange Valuation	Special Reserve - Special Reserve for Revaluation Increments of Property	Life Insurance Policy Reserve - Operating Loss Reserve	Life Insurance Policy Reserve - Recovery of Catastrophic Event Reserve	Life Insurance Policy Reserve - Other Enhanced Provisions	Other Reserve - Business Value of the Acquisition
Beginning balance	\$ 20,773,326	\$ 11,083,324	\$ 980	\$ 63,291	\$ 1,785,834	\$ 1,834,253
Compulsory reserve	6,068,602	-	-	-	-	-
Additional reserve	<u>35,088,277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Recovery	41,156,879	-	-	-	-	-
Ending balance	<u>\$ 43,563,371</u>	<u>\$ 11,083,324</u>	<u>\$ 980</u>	<u>\$ 63,291</u>	<u>\$ 1,785,834</u>	<u>\$ 1,831,756</u>

Note 1: The Company applied to and obtained approval from Jin Guan Bao Shou No. 1140424940, allowing an additional provision of \$50,848,511 thousand to the reserve for foreign exchange valuation in June 2025.

Note 2: The Company applied to and obtained approval from Jin Guan Bao Shou No. 1140420671, allowing the reclassification of special reserves, policy reserves, and other reserves to the reserve for foreign exchange valuation in May 2025, in the amounts of \$11,083,324 thousand, \$1,850,105 thousand, and \$1,700,000 thousand, respectively.

c. Effects due to reserve for foreign exchange valuation

Items	For the Nine Months Ended September 30, 2025		
	Inapplicable Amount (1)	Applicable Amount (2)	Effects (2) - (1)
Net profit attributable to owners of the Company	\$ 45,443,095	\$ 34,519,572	\$ (10,923,523)
Earnings per share	7.15	5.43	(1.72)
Reserve for foreign exchange valuation	-	55,802,220	55,802,220
Equity attributable to owners of the Company	756,210,262	726,878,126	(29,332,136)

Items	For the Nine Months Ended September 30, 2024		
	Inapplicable Amount (1)	Applicable Amount (2)	Effects (2) - (1)
Net profit attributable to owners of the Company	\$ 85,342,091	\$ 67,110,054	\$ (18,232,037)
Earnings per share	13.44	10.57	(2.87)
Reserve for foreign exchange valuation	-	43,563,371	43,563,371
Equity attributable to owners of the Company	775,637,324	744,389,523	(31,247,801)

28. RETAINED EARNED PREMIUM AND RETAINED CLAIM PAYMENTS

a. Retained earned premium

1) The Company

	For the Three Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Written premium	\$ 88,211,077	\$ 16,192	\$ 88,227,269	\$ 101,097,627	\$ 12,898	\$ 101,110,525
Reinsurance premium	(3,873)	-	(3,873)	22,065	-	22,065
Premium income	88,207,204	16,192	88,223,396	101,119,692	12,898	101,132,590
Less: Reinsurance expenses	(739,549)	-	(739,549)	(700,312)	-	(700,312)
Net changes in unearned premium reserve	(48,362)	-	(48,362)	(276,746)	-	(276,746)
Retained earned premium	\$ 87,419,293	\$ 16,192	\$ 87,435,485	\$ 100,142,634	\$ 12,898	\$ 100,155,532

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Written premium	\$ 293,568,598	\$ 39,377	\$ 293,607,975	\$ 274,076,631	\$ 42,903	\$ 274,119,534
Reinsurance premium	(28,193)	-	(28,193)	76,477	-	76,477
Premium income	293,540,405	39,377	293,579,782	274,153,108	42,903	274,196,011
Less: Reinsurance expenses	(1,976,070)	-	(1,976,070)	(1,869,345)	-	(1,869,345)
Net changes in unearned premium reserve	(196,744)	-	(196,744)	(505,989)	-	(505,989)
Retained earned premium	\$ 291,367,591	\$ 39,377	\$ 291,406,968	\$ 271,777,774	\$ 42,903	\$ 271,820,677

2) Cathay Lujiazui Life

	For the Three Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Written premium	\$ 21,597,203	\$ -	\$ 21,597,203	\$ 9,783,732	\$ -	\$ 9,783,732
Reinsurance premium	-	-	-	-	-	-
Premium income	21,597,203	-	21,597,203	9,783,732	-	9,783,732
Less: Reinsurance expenses	(27,464)	-	(27,464)	(26,505)	-	(26,505)
Net changes in unearned premium reserve	(5,139)	-	(5,139)	(188,852)	-	(188,852)
Retained earned premium	\$ 21,564,600	\$ -	\$ 21,564,600	\$ 9,568,375	\$ -	\$ 9,568,375

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Written premium	\$ 39,737,674	\$ -	\$ 39,737,674	\$ 25,699,123	\$ -	\$ 25,699,123
Reinsurance premium	-	-	-	-	-	-
Premium income	39,737,674	-	39,737,674	25,699,123	-	25,699,123
Less: Reinsurance expenses	(76,590)	-	(76,590)	(73,622)	-	(73,622)
Net changes in unearned premium reserve	127,914	-	127,914	(59,776)	-	(59,776)
Retained earned premium	\$ 39,788,998	\$ -	\$ 39,788,998	\$ 25,565,725	\$ -	\$ 25,565,725

3) Cathay Life (Vietnam)

	For the Three Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Written premium	\$ 841,511	\$ -	\$ 841,511	\$ 907,272	\$ -	\$ 907,272
Reinsurance premium	-	-	-	-	-	-
Premium income	841,511	-	841,511	907,272	-	907,272
Less: Reinsurance expenses	(13,569)	-	(13,569)	(13,438)	-	(13,438)
Net changes in unearned premium reserve	(2,308)	-	(2,308)	(913)	-	(913)
Retained earned premium	\$ 825,634	\$ -	\$ 825,634	\$ 892,921	\$ -	\$ 892,921

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Written premium	\$ 2,671,648	\$ -	\$ 2,671,648	\$ 3,032,160	\$ -	\$ 3,032,160
Reinsurance premium	-	-	-	-	-	-
Premium income	2,671,648	-	2,671,648	3,032,160	-	3,032,160
Less: Reinsurance expenses	(35,893)	-	(35,893)	(34,066)	-	(34,066)
Net changes in unearned premium reserve	(7,037)	-	(7,037)	(1,463)	-	(1,463)
Retained earned premium	\$ 2,628,718	\$ -	\$ 2,628,718	\$ 2,996,631	\$ -	\$ 2,996,631

b. Retained claim payments

1) The Company

For the Three Months Ended September 30					
	2025			2024	
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features
Direct insurance claim payments	\$ 93,842,138	\$ 187,005	\$ 94,029,143	\$ 121,770,297	\$ 211,645
Reinsurance claim payments	6,925	-	6,925	22,672	-
Insurance claim payments	93,849,063	187,005	94,036,068	121,792,969	211,645
Less: Claims and payments recovered from reinsures	(397,385)	-	(397,385)	(539,047)	-
Retained claim payments	<u>\$ 93,451,678</u>	<u>\$ 187,005</u>	<u>\$ 93,638,683</u>	<u>\$ 121,253,922</u>	<u>\$ 211,645</u>

For the Nine Months Ended September 30					
	2025			2024	
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features
Direct insurance claim payments	\$ 331,825,613	\$ 858,732	\$ 332,684,345	\$ 341,831,037	\$ 853,632
Reinsurance claim payments	9,097	-	9,097	39,693	-
Insurance claim payments	331,834,710	858,732	332,693,442	341,870,730	853,632
Less: Claims and payments recovered from reinsures	(1,053,330)	-	(1,053,330)	(1,540,130)	-
Retained claim payments	<u>\$ 330,781,380</u>	<u>\$ 858,732</u>	<u>\$ 331,640,112</u>	<u>\$ 340,330,600</u>	<u>\$ 853,632</u>

2) Cathay Lujiazui Life

For the Three Months Ended September 30					
	2025			2024	
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features
Direct insurance claim payments	\$ 852,310	\$ -	\$ 852,310	\$ 978,097	\$ -
Reinsurance claim payments	-	-	-	-	-
Insurance claim payments	852,310	-	852,310	978,097	-
Less: Claims and payments recovered from reinsures	(14,243)	-	(14,243)	(14,086)	-
Retained claim payments	<u>\$ 838,067</u>	<u>\$ -</u>	<u>\$ 838,067</u>	<u>\$ 964,011</u>	<u>\$ -</u>

For the Nine Months Ended September 30					
	2025			2024	
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features
Direct insurance claim payments	\$ 2,785,748	\$ -	\$ 2,785,748	\$ 3,144,803	\$ -
Reinsurance claim payments	-	-	-	-	-
Insurance claim payments	2,785,748	-	2,785,748	3,144,803	-
Less: Claims and payments recovered from reinsures	(42,045)	-	(42,045)	(45,947)	-
Retained claim payments	<u>\$ 2,743,703</u>	<u>\$ -</u>	<u>\$ 2,743,703</u>	<u>\$ 3,098,856</u>	<u>\$ -</u>

3) Cathay Life (Vietnam)

	For the Three Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Direct insurance claim payments	\$ 314,111	\$ -	\$ 314,111	\$ 191,964	\$ -	\$ 191,964
Reinsurance claim payments	-	-	-	-	-	-
Insurance claim payments	314,111	-	314,111	191,964	-	191,964
Less: Claims and payments recovered from reinsures	-	-	-	-	-	-
Retained claim payments	\$ 314,111	\$ -	\$ 314,111	\$ 191,964	\$ -	\$ 191,964

	For the Nine Months Ended September 30					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Direct insurance claim payments	\$ 982,351	\$ -	\$ 982,351	\$ 552,218	\$ -	\$ 552,218
Reinsurance claim payments	-	-	-	-	-	-
Insurance claim payments	982,351	-	982,351	552,218	-	552,218
Less: Claims and payments recovered from reinsures	-	-	-	-	-	-
Retained claim payments	\$ 982,351	\$ -	\$ 982,351	\$ 552,218	\$ -	\$ 552,218

29. PROVISIONS

For the Nine Months Ended September 30

	2025	2024
Beginning balance	\$ 56,245	\$ 56,245
Changes in the period	-	-
Ending balance	<u>\$ 56,245</u>	<u>\$ 56,245</u>

30. OTHER LIABILITIES

	September 30, 2025	December 31, 2024	September 30, 2024
Advance receipts	\$ 214,975	\$ 198,985	\$ 502,767
Deferred fee income	265,208	302,294	337,149
Guarantee deposits received	6,531,339	3,177,667	17,345,586
Others	<u>5,444,611</u>	<u>13,521,252</u>	<u>4,533,444</u>
	<u>\$ 12,456,133</u>	<u>\$ 17,200,198</u>	<u>\$ 22,718,946</u>

Deferred fee income

The Company issues investment-linked insurance contracts without discretionary participation feature of financial instruments. Deferred fee income related to investment management services of such contracts is reconciled below:

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 302,294	\$ 357,180
Amortization	(32,883)	(34,778)
Foreign exchange	<u>(4,203)</u>	<u>14,747</u>
Ending balance	<u><u>\$ 265,208</u></u>	<u><u>\$ 337,149</u></u>

31. RETIREMENT BENEFIT PLANS

The pension expense of defined benefit plans was calculated based on the actuarially determined pension cost rate on December 31, 2024 and 2023, respectively, and recognized as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
General expenses	<u><u>\$ 1,213</u></u>	<u><u>\$ 23,233</u></u>	<u><u>\$ 3,637</u></u>	<u><u>\$ 69,700</u></u>

32. EQUITY

a. Share capital

	September 30, 2025	December 31, 2024	September 30, 2024
Number of shares authorized (in thousands)	<u><u>10,000,000</u></u>	<u><u>10,000,000</u></u>	<u><u>10,000,000</u></u>
Shares authorized	<u><u>\$ 100,000,000</u></u>	<u><u>\$ 100,000,000</u></u>	<u><u>\$ 100,000,000</u></u>
Number of shares issued and fully paid (in thousands)	<u><u>6,351,527</u></u>	<u><u>6,351,527</u></u>	<u><u>6,351,527</u></u>
Shares issued	<u><u>\$ 63,515,274</u></u>	<u><u>\$ 63,515,274</u></u>	<u><u>\$ 63,515,274</u></u>

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and the right to dividends.

b. Capital surplus

	September 30, 2025	December 31, 2024	September 30, 2024
Additional paid-in capital	\$ 89,550,000	\$ 89,550,000	\$ 89,550,000
Differences between share price and book value from acquisition or disposal of subsidiaries	29,142	29,142	29,142
Changes in amount of associates and joint ventures accounted for using the equity method	1,712,626	1,737,257	1,701,455
Share-based payments granted by the parent company to the Company's employees	622,273	622,273	622,273
	<u>\$ 91,914,041</u>	<u>\$ 91,938,672</u>	<u>\$ 91,902,870</u>

The capital surplus arising from shares issued in excess of par and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). According to Jin Guan Bao Tsai No. 10202501991 issued by the FSC on February 8, 2013, if a life insurance enterprise intends to distribute its capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them in accordance with Article 241 of the Company Act, it should be approved by the FSC before the shareholders' meeting.

The capital surplus arising from investments accounted for using the equity method and share-based payments granted by the parent company to the Company's employees may only be used to offset a deficit.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in No. 37 of the Company's Article of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve of the remaining profit, setting aside a special reserve in accordance with the laws and regulations, the payment of preferred dividends also takes precedence in accordance with the dividends policy of the preferred share, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 34 d.

In order for the Company to continue to expand its scale and increase profitability in line with its long-term financial strategy, future demand for capital and meet the dividend needs of ordinary shareholders, the Company adopted a dividend policy in framing a proposal for the distribution of annual earnings for the purpose of sustainable development, whereby share dividends, if declared, shall not be less than 50% of the total ordinary share dividends declared for the year. However, the Company may adjust dividend policy moderately based on the capital needs of business and investment, the approval of dividend appropriation or major regulation amendments, etc.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash. Pursuant to Jin Guan Bao Tsai No. 10202501991, if a life insurance enterprise intends to distribute, in accordance with Article 241 of the Company Act, its legal reserve from the appropriation under Article 145-1 of the Insurance Act by cash to its shareholders in proportion to the number of shares being held by each of them, it should be approved by the FSC before shareholders' meeting.

According to Jin Guan Bao Tsai No. 10202501992, a life insurance enterprise intending to distribute cash dividends from earnings (not including dividends for preference share liabilities) should notify the FSC and then the FSC approves the distribution of earnings based on its financial position.

Pursuant to Jin Guan Bao Tsai No. 11404924813, insurance companies that adjust the applicable interest rates or mortality rates for policy reserve provisioning in accordance with Jin Guan Bao Tsai No. 11404924811 shall appropriate 30% of the pre-tax earnings for the year 2025 to the reserve for foreign exchange valuation.

The appropriations of earnings for 2024 and 2023 had been approved by the board of directors (on behalf of shareholders) on April 29, 2025 and April 30, 2024, respectively. The appropriations and dividends per share were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2024	2023
Legal reserve	\$ 13,920,324	\$ 3,305,975
Special reserve	61,025,362	24,224,528

The Company's board of directors (on behalf of the shareholders) resolved to offset the deficit by a special reserve of \$5,488,104 thousand on April 30, 2024.

d. Special reserves

	September 30, 2025	December 31, 2024	September 30, 2024
Special reserve for catastrophic events and fluctuation of risks (1)	\$ 14,967,734	\$ 14,967,734	\$ 14,412,891
Special reserve for the foreign exchange valuation reserve (2)	58,134,164	41,227,349	41,227,349
Special reserve appropriated at the first-time adoption of IFRS Accounting Standards (3)	47,327,860	47,327,860	47,327,860
Special reserve for investment properties at fair value model in subsequent measurement (4)	150,432,066	149,796,291	149,796,291
Special reserve for gains or losses on disposal of immature debt instruments (5)	90,921,229	96,230,591	96,230,591
Others (6)	<u>183,596,423</u>	<u>141,849,628</u>	<u>140,703,199</u>
	<u>\$ 545,379,476</u>	<u>\$ 491,399,453</u>	<u>\$ 489,698,181</u>

1) Special reserve for catastrophic events and fluctuation of risks

According to the revised Regulations Governing the setting aside of Various Reserves by Insurance Enterprise on February 7, 2012, the Company transferred the balance of special reserve for catastrophic events and for fluctuation of risks, net of tax, from liability to special reserve under retained earnings.

In accordance with the rules submitted to the authorities and relevant regulations, the Company reserves special reserve for catastrophic events and special reserve for fluctuation of risks for retained insurance policies with policy periods shorter than one year and injury insurance policies with policy periods longer than one year as follows:

a) Special reserve for catastrophic events

All types of insurance should follow the reserve rates for catastrophic events set by the authorities. Upon occurrence of the catastrophic events, actual claims on retained business in excess of \$30,000 thousand can be withdrawn from the special reserve. If the reserve has been set aside for over 15 years, the Company could plan the recovering process of the reserve through assessment by certified actuarial professionals and submit the plan to the authorities for reference. The post-tax amount of the recovery determined in accordance with IAS 12 “Income Taxes” can be recorded in the special capital reserve for catastrophic events under equity.

b) Special reserve for fluctuation of risks

When the actual claim payment less the offsetting amount from special reserve for catastrophic events is less than the anticipated claim amount, 15% of this difference should be provided in special reserve for fluctuation of risks.

When the actual claim payment less the offsetting amount from special reserve for catastrophic events is greater than the anticipated claim amount, the exceeded amount can be used to write down the special reserve for fluctuation of risks. If the total amount of special reserves for fluctuation of risks is not enough to be written down, special reserve for fluctuation of risks for other types of insurance can be used, and the type of insurance and total amount written-down should be reported to the authority. When accumulative amount of special reserve for fluctuation of risks exceeds 30% of retained earned premium at that year, the exceeded amount will be recovered. To promote the sustainable development of insurance industry, the authorities may designate or restrict the use of the abovementioned recovered amount. The post-tax amount of write-down or recovery determined in accordance with the IAS 12 “Income Taxes” can be recorded in the special capital reserve for fluctuation of risks under equity.

For the abovementioned special reserves, the annual provision should be recorded in special reserve under equity, net of tax in accordance with IAS 12 “Income Taxes”.

According to Article 23-2 of the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, life insurance enterprises should recognize the amount equals to initial amount of reserve for foreign exchange valuation transferred from liabilities as special reserve in three years, starting from the implementation. The abovementioned special reserve includes the reduced recover amounts of special reserve for catastrophic events and special reserve for fluctuation of risks, which are calculated in accordance with the Articles 19 and 20, due to transferring to the initial amount of reserve for foreign exchange valuation.

According to Jin Guan Bao Tsai No. 09802513192, the revised Regulations Governing the Setting Aside of Various Reserve by Insurance Enterprise, issued on December 28, 2009, the provision for special reserve for catastrophic events and for fluctuation of risks is recognized at the end of the year and should not be distributed as dividends or be used for any other purposes. The related account balances are summarized as follows:

September 30, 2025			
	Financial Instruments with Discretionary Participation Features	Insurance Contracts	Total
Life insurance	\$ 84,346	\$ -	\$ 84,346
Injury insurance	5,161,645	-	5,161,645
Health insurance	6,326,163	-	6,326,163
Group insurance	<u>3,395,580</u>	<u>-</u>	<u>3,395,580</u>
	<u><u>\$ 14,967,734</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,967,734</u></u>

December 31, 2024			
	Financial Instruments with Discretionary Participation Features	Insurance Contracts	Total
Life insurance	\$ 84,346	\$ -	\$ 84,346
Injury insurance	5,161,645	-	5,161,645
Health insurance	6,326,163	-	6,326,163
Group insurance	<u>3,395,580</u>	<u>-</u>	<u>3,395,580</u>
	<u><u>\$ 14,967,734</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,967,734</u></u>

September 30, 2024			
	Financial Instruments with Discretionary Participation Features	Insurance Contracts	Total
Life insurance	\$ 83,364	\$ -	\$ 83,364
Injury insurance	4,978,800	-	4,978,800
Health insurance	6,064,993	-	6,064,993
Group insurance	<u>3,285,734</u>	<u>-</u>	<u>3,285,734</u>
	<u><u>\$ 14,412,891</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 14,412,891</u></u>

2) Special reserve for foreign exchange valuation reserve

According to Article 9 of the Direction for Reserve for Foreign Exchange Reserve and Jin Guan Bao Tsai No. 1090490453 issued on February 17, 2020, the Company should appropriate a special reserve of 10% of the profit after tax and the amount of other profit (or loss) items adjusted to the current year's undistributed earnings in the current year in order to strengthen the foreign exchange reserve and capital.

According to Article 8 of the Direction for Reserve for Foreign Exchange Reserve and Jin Guan Bao Tsai No. 1100438279 issued on February 9, 2022, the Company should set aside special reserve as the amount of hedging expense saved. This special reserve should be set aside in later years if there are no sufficient earnings, and it should only be used for transferring to capital or offsetting deficit.

3) Special reserves appropriated at the first-time adoption of IFRS Accounting Standards

At the first-time adoption of IFRS Accounting Standards, the Company chose to use fair values as the deemed costs of investment properties and in accordance with regulations, and the increments on property revaluation should be offset by other negative effects at the first-time adoption of IFRS Accounting Standards. The remaining increments on property revaluation should be recovered as special reserve under liabilities and the portion of increments on property revaluation used for offsetting other negative effects is recognized as retained earnings. According to Bao (Tsai) No. 10202508140, the abovementioned adjustments of retained earnings amounting to \$2,994,565 thousand should be set aside as special reserve under equity following Jin Guan Bao Tsai No. 11004920441.

In accordance with Jin Guan Bao Tsai No. 10102515281, special reserves under liabilities due to the first-time adoption of IFRS Accounting Standards are allowed to recover 80% in five years and transferred to special reserve under equity. The limitation of the recoverable amount is \$10 billion per year.

4) Special reserve for investment properties at fair value model in subsequent measurement

In accordance with Jin Guan Bao Tsai No. 10904917647, the Company set aside a special reserve based on the net after-tax effect for the first-time adoption of fair value model in subsequent measurements and the accumulated net after-tax gain on subsequent fair value measurements.

The aforementioned special reserve can only be used to compensate the deficit of insurance liabilities of the insurance contract in accordance with IFRS 17 "Insurance Contracts," the fair value assessment of insurance contract liabilities in the life insurance industry and other assessment methods specified by the FSC.

When the Company disposes of the investment properties, if the special reserve under the aforementioned regulations is used to replenish the insurance contract liabilities, the percentage of the original special reserve may be reversed with the approval of the FSC. The earnings appropriation regarding the reversal of special reserve should be arranged in accordance with Jin Guan Bao Tsai No. 10202501992.

5) Special reserve from gains or losses on disposal of immature debt instruments

According to Jin Guan Bao Tsai No. 11204939731 starting from January 1, 2019, a life insurance enterprise should make a special reserve from gains or losses after a tax of 20% on disposals of the following immature debt instruments, which should be amortized and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity periods cannot be determined:

- a) Financial assets not measured at fair value
- b) Financial assets measured at FVTOCI
- c) Financial assets measured at FVTPL using overlay approach

In the calculation of immature debt instruments, beneficiary certificates, short-term notes, preferred shares (classified as equity instrument), and the positions belonging to the segregated assets for participating insurance or interest-sensitive commodities may be excluded.

6) Other special reserve mainly included the amount of \$34,764,311 thousand transferred from insurance liabilities in accordance with Jin Guan Bao Tsai No. 10402029590.

e. Other equity

1) Exchange differences on translation of the financial statements of foreign operations

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ (7,683,958)	\$ (10,989,545)
Recognized for the period	(4,111,387)	3,030,077
Share of associates and joint ventures accounted for using the equity method	(1,113,857)	1,087,341
Tax effects	197,193	(52,513)
Other comprehensive income recognized for the period	<u>(5,028,051)</u>	<u>4,064,905</u>
Disposal of interests in subsidiaries	-	82,145
Ending balance	\$ (12,712,009)	\$ (6,842,495)

2) Unrealized gain on financial assets at FVTOCI

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ (14,052,961)	\$ (13,995,150)
Recognized for the period	28,073,472	26,452,084
Share of associates and joint ventures accounted for using the equity method	130,994	334,929
Reclassification adjustment		
Disposal of investments in debt instruments	(785,413)	(768,365)
Tax effects	<u>(4,414,131)</u>	<u>(1,391,158)</u>
Other comprehensive income recognized for the period	<u>23,004,922</u>	<u>24,627,490</u>

(Continued)

	For the Nine Months Ended September 30	
	2025	2024
Changes in associates and joint ventures accounted for using the equity method	\$ (1,115)	\$ (8,949)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(6,307,711)	(2,861,595)
Disposal of interests in subsidiaries	-	(94)
Ending balance	<u><u>\$ 2,643,135</u></u>	<u><u>\$ 7,761,702</u></u>
	(Concluded)	

3) (Loss) gain on hedging instruments

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ (354,267)	\$ 510,499
Recognized for the period	(1,141,760)	(529,440)
Reclassification adjustment		
Hedged item that affects profit or loss	1,006,312	247,615
Exchange rate changes	13,003	(2,198)
Tax effects	24,724	56,805
Disposal of interests in subsidiaries	-	6,118
Other comprehensive loss recognized for the period	<u>(97,721)</u>	<u>(221,100)</u>
Ending balance	<u><u>\$ (451,988)</u></u>	<u><u>\$ 289,399</u></u>

4) Remeasurement of defined benefit plans

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 4,132,850	\$ 1,690,843
Share of associates and joint ventures accounted for using the equity method	390	279
Tax effects	<u>(78)</u>	<u>(56)</u>
Other comprehensive income recognized for the period	<u>312</u>	<u>223</u>
Ending balance	<u><u>\$ 4,133,162</u></u>	<u><u>\$ 1,691,066</u></u>

5) Property revaluation surplus

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 402,058	\$ 405,764
Share of associates and joint ventures accounted for using the equity method	<u>-</u>	<u>(3,706)</u>
Ending balance	<u><u>\$ 402,058</u></u>	<u><u>\$ 402,058</u></u>

6) Other comprehensive (loss) income on reclassification using overlay approach

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ (51,078,153)	\$ (60,621,148)
Recognized for the period	33,877,903	124,994,515
Reclassification adjustment		
Disposal of investments in financial instruments	(63,435,849)	(92,852,587)
Tax effects	(367,861)	(3,763,113)
Other comprehensive (loss) income recognized for the period	<u>(29,925,807)</u>	<u>28,378,815</u>
Ending balance	<u>\$ (81,003,960)</u>	<u>\$ (32,242,333)</u>

7) Other equity - other

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ -	\$ (1,762,024)
Disposal of interests in subsidiaries	<u>-</u>	<u>1,762,024</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>

f. Non-controlling interests

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 13,176,325	\$ 9,456,250
Net profit attributed to non-controlling interests		
Net (loss) profit for the period	(15,552)	335,657
Other comprehensive (loss) income recognized for the period		
Exchange differences on translation of the financial statements of foreign operations	(534,225)	322,658
Loss on hedging instruments	(1,177)	-
Other comprehensive (loss) income reclassified using overlay approach	(980,582)	2,110,903
Acquisition of non-controlling interests in subsidiaries (Note 46)	(310,237)	-
Disposal of interests in subsidiaries (Note 45)	- (79,054)	(530,893) (335,896)
Others		
Ending balance	<u>\$ 11,255,498</u>	<u>\$ 11,358,679</u>

33. EARNINGS PER SHARE

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Basic earnings per share				
From continuing operations	\$ 2.39	\$ 2.92	\$ 5.43	\$ 10.41
From discontinued operations	—	—	—	0.16
Total basic earnings per share	<u>\$ 2.39</u>	<u>\$ 2.92</u>	<u>\$ 5.43</u>	<u>\$ 10.57</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Earnings used in the computation of basic earnings per share	\$ 15,197,022	\$ 18,556,312	\$ 34,519,572	\$ 67,110,054
Less: Profit for the period from discontinued operations used in the computation of basic earnings per share from discontinued operations	—	—	—	973,026
Earnings used in the computation of basic earnings per share from continuing operations	<u>\$ 15,197,022</u>	<u>\$ 18,556,312</u>	<u>\$ 34,519,572</u>	<u>\$ 66,137,028</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	<u>6,351,527</u>	<u>6,351,527</u>	<u>6,351,527</u>	<u>6,351,527</u>

If reserve for foreign exchange valuation was not applicable, earnings per share would be \$2.31, \$3.55, \$7.15 and \$13.44 for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively.

34. NET PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS

a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Financial assets at FVTOCI	\$ 6,858,728	\$ 5,402,721	\$ 18,634,482	\$ 15,494,231
Financial assets measured at amortized cost	37,759,977	40,767,315	118,636,231	120,929,011
Loans	3,700,982	3,506,871	10,916,411	10,445,679
Others	2,416,115	2,884,731	6,898,703	7,176,393
	<u>\$ 50,735,802</u>	<u>\$ 52,561,638</u>	<u>\$ 155,085,827</u>	<u>\$ 154,045,314</u>

b. (Expected credit loss) reversal of expected credit loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Operating revenues - (expected credit loss) reversal of expected credit loss from investments				
Debt instrument investments at FVTOCI	\$ 72,881	\$ 66,058	\$ 4,460	\$ (133,320)
Financial assets measured at amortized cost	137,275	7,760	54,735	60,460
Interest receivables	(409,942)	(251,291)	(705,723)	(1,087,543)
Loans	(745,973)	(30,078)	(917,111)	94,520
	<u>(945,759)</u>	<u>(207,551)</u>	<u>(1,563,639)</u>	<u>(1,065,883)</u>
Operating expenses - (expected credit loss) reversal of expected credit loss from non-investments				
Receivables	(561)	(962)	(7,104)	(5,966)
Due from reinsurers and ceding companies	40,222	19,686	7,894	(5,877)
	<u>39,661</u>	<u>18,724</u>	<u>790</u>	<u>(11,843)</u>
	<u>\$ (906,098)</u>	<u>\$ (188,827)</u>	<u>\$ (1,562,849)</u>	<u>\$ (1,077,726)</u>

c. Employee benefits expense

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term benefits				
Salaries	\$ 8,916,724	\$ 8,244,495	\$ 28,237,625	\$ 26,863,973
Labor and health insurance expenses	654,164	640,693	2,144,573	1,978,910
Post-employment benefits				
Defined contribution plans	314,376	283,350	985,578	876,929
Defined benefit plans (Note 31)	1,213	23,233	3,637	69,700
Remuneration of directors	6,802	6,752	19,989	19,420
Other employee benefits	<u>218,698</u>	<u>289,550</u>	<u>573,680</u>	<u>621,613</u>
	<u>\$ 10,111,977</u>	<u>\$ 9,488,073</u>	<u>\$ 31,965,082</u>	<u>\$ 30,430,545</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 7,731,550	\$ 7,080,894	\$ 24,564,680	\$ 23,528,157
Operating expenses	<u>2,380,427</u>	<u>2,407,179</u>	<u>7,400,402</u>	<u>6,902,388</u>
	<u>\$ 10,111,977</u>	<u>\$ 9,488,073</u>	<u>\$ 31,965,082</u>	<u>\$ 30,430,545</u>

As of September 30, 2025 and 2024, the total numbers of the Group's employees were 34,233 and 35,534, respectively, including 21 and 19 non-executive directors, respectively.

d. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles of Incorporation, 0.01% to 0.1% of profit of the current year is distributable as compensation of employees and no more than 0.1% of profit of the current year is distributable as remuneration of directors and supervisors. However, the Company has to first cover accumulated losses, if any. Compensation of employees shall be paid in cash or in shares and resolved by the board of directors in their meeting. The distribution is subject to the attendance of more than two-thirds of the members of the board of directors and the resolution of more than half of the directors present. The resolution shall be reported to the shareholders' meeting.

In compliance with the Company's Articles of Incorporation, the Company accrued compensation of employees and remuneration of directors and supervisors for the three months ended September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024, respectively, as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Compensation of employees	\$ 1,263	\$ 2,376	\$ 3,289	\$ 7,757
Remuneration of directors and supervisors	1,350	1,350	4,050	4,050

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences will be recorded as a change in accounting estimate and adjusted in the next year.

The compensation of employees and remuneration of directors and supervisors for the years ended 2024 and 2023, which were resolved by the board of directors on March 6, 2025 and March 5, 2024, respectively, are as follows:

	For the Year Ended December 31	
	2024	2023
Compensation of employees	\$ 7,416	\$ 1,805
Remuneration of directors and supervisors	5,400	5,400

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

e. Depreciation and amortization

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Property and equipment	\$ 441,362	\$ 412,516	\$ 1,300,904	\$ 1,218,002
Right-of-use assets	132,700	138,658	422,807	418,970
Intangible assets	<u>498,019</u>	<u>499,423</u>	<u>1,493,070</u>	<u>1,498,045</u>
	<u>\$ 1,072,081</u>	<u>\$ 1,050,597</u>	<u>\$ 3,216,781</u>	<u>\$ 3,135,017</u>
An analysis of depreciation by function				
Operating expenses	<u>\$ 574,062</u>	<u>\$ 551,174</u>	<u>\$ 1,723,711</u>	<u>\$ 1,636,972</u>
An analysis of amortization by function				
Operating expenses	<u>\$ 498,019</u>	<u>\$ 499,423</u>	<u>\$ 1,493,070</u>	<u>\$ 1,498,045</u>

f. Non-operating income and expenses

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
(Loss) gain on disposal of property and equipment	\$ (217)	\$ (357)	\$ (467)	\$ 342
Others	<u>487,635</u>	<u>541,172</u>	<u>1,786,273</u>	<u>1,764,872</u>
	<u>\$ 487,418</u>	<u>\$ 540,815</u>	<u>\$ 1,785,806</u>	<u>\$ 1,765,214</u>

35. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
In respect of the current period	\$ (7,810,117)	\$ 1,742,341	\$ (41,355,349)	\$ 6,965,930
Adjustments for prior years	(191)	-	(1,037,767)	(23,483)
Deferred tax				
In respect of the current period	8,938,181	(3,919,773)	40,596,441	(11,554,750)
Adjustments for prior years	-	-	(59)	244,472
Others				
Additional income tax under Alternative Minimum Tax Act	-	(1,321,644)	-	(1,321,644)
Tax effect under integrated income tax system	<u>1,605,837</u>	<u>(2,076,202)</u>	<u>3,023,326</u>	<u>(3,755,595)</u>
Income tax benefit (expense) recognized in profit or loss	<u>\$ 2,733,710</u>	<u>\$ (5,575,278)</u>	<u>\$ 1,226,592</u>	<u>\$ (9,445,070)</u>

b. Income tax recognized directly in equity

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Current tax				
Derecognition of equity instruments at FVTOCI	\$ 6,707	\$ (8,265)	\$ 25,797	\$ (29,546)
Deferred tax				
Derecognition of equity instruments at FVTOCI	<u>(6,707)</u>	<u>8,265</u>	<u>(25,797)</u>	<u>29,546</u>
Total income tax recognized directly in equity	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>

c. Income tax recognized in other comprehensive loss

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Deferred tax</u>				
Recognized in other comprehensive income (loss)				
Exchange differences on translation of the financial statements of foreign operations	\$ 1,629	\$ (58,209)	\$ 197,193	\$ (52,513)
Gain or loss on hedging instruments	283,741	(93,723)	24,724	56,805
Unrealized gain or loss on equity instruments at FVTOCI	(204,039)	(166,252)	122,259	(129,976)
Unrealized gain or loss on debt instruments at FVTOCI	(2,138,063)	(4,410,600)	(4,505,819)	(1,195,153)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	(10,102)	(100,120)	(30,649)	(66,085)
Other comprehensive loss reclassified using overlay approach	<u>(3,792,689)</u>	<u>(1,343,536)</u>	<u>(367,861)</u>	<u>(3,763,113)</u>
Total income tax expense recognized in other comprehensive loss	<u>\$ (5,859,523)</u>	<u>\$ (6,172,440)</u>	<u>\$ (4,560,153)</u>	<u>\$ (5,150,035)</u>

d. Income tax assessments

The tax returns through 2019 have been assessed by the tax authorities. The Company disagreed with the tax authorities' assessment of its 2015, 2016, 2017, 2018 and 2019 tax returns and applied for an administrative remedy.

e. Pillar Two income taxes

Some of the Company's subsidiaries are registered in countries where legislation for the Pillar Two income tax act has been enacted and has come into effect as of January 1, 2024. These registered countries include Vietnam. Additionally, for the subsidiaries registered in Jersey Island and Singapore, local legislation has been substantively enacted, and it is expected to take effect on January 1, 2025. The effective Pillar II Income Tax Act does not have a significant impact on the Group, and the Group will continue to monitor the potential impact of the Pillar II Income Tax Act on its future financial performance.

36. TRANSACTIONS WITH RELATED PARTIES

Balances, transactions, revenues and expenses between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Cathay Financial Holdings	The Company's parent company
Cathay Securities Investment Consulting	Subsidiary
Cathay Lujiazui Life	Subsidiary
Cathay Life (Vietnam)	Subsidiary
Lin Yuan (Shanghai) Real Estate Co., Ltd.	Subsidiary
Cathay Woolgate Exchange Holding 1 Limited	Subsidiary
Cathay Woolgate Exchange Holding 2 Limited	Subsidiary
Cathay Walbrook Holding 1 Limited	Subsidiary
Cathay Walbrook Holding 2 Limited	Subsidiary
Cathaylife Singapore Pte. Ltd.	Subsidiary
Cathay Industrial Research and Design Center Co., Ltd.	Subsidiary
Cathay Power	Subsidiary
Sunrise Pv One	Subsidiary
Cathy Sunrise Two	Subsidiary
Cathy Sunrise Electric Power Two	Subsidiary
Bai Yang Energy	Subsidiary
Hong Cheng Sing Tech.	Subsidiary
Shen Lyu	Subsidiary
Nan Yang Power	Subsidiary
Neo Cathay Power	Subsidiary
CM Energy	Subsidiary
Shu Guang Energy	Subsidiary
Si Yi	Subsidiary
Da Li	Subsidiary
Yong Han	Subsidiary
Hong Tai Energy	Subsidiary
Hong Tai Power	Subsidiary
Tian Ji Energy	Subsidiary
Tian Ji Power	Subsidiary
Cathay Wind Power Holdings	Subsidiary
Cathay Wind Power	Subsidiary
Syphox Information Co., Ltd.	Joint venture (associate before April 2024)
Greater Changhua NW Holdings Ltd.	Joint venture after December 2024
Greater Changhua Offshore Wind Farm NW Ltd.	Subsidiary of joint venture after December 2024
Seaward Card Co., Ltd.	Subsidiary of joint venture (subsidiary of associate before April 2024)
Generali Investments Holding S.p.A.	Associate
PSS Co., Ltd.	Associate
Lin Yuan Property Management Co., Ltd.	Associate
Conning Holdings Limited	Subsidiary of associate (subsidiary before April 2024)

(Continued)

Related Party Name	Related Party Category
Global Evolution Holding ApS	Subsidiary of associate (subsidiary before April 2024)
Yua-Yung Marketing (Taiwan) Co., Ltd.	Subsidiary of associate
Hong-Sui Co., Ltd.	Subsidiary of associate
Cathay United Bank Co., Ltd.	Fellow subsidiary
Cathay Century Insurance Co., Ltd.	Fellow subsidiary
Cathay Securities Corporation	Fellow subsidiary
Cathay Securities Investment Trust Co., Ltd.	Fellow subsidiary
Cathay Venture Inc.	Fellow subsidiary
Cathay Insurance (Vietnam) Co., Ltd.	Subsidiary of fellow subsidiary
Indovina Bank Limited	Subsidiary of fellow subsidiary
Cathay Futures Co., Ltd.	Subsidiary of fellow subsidiary
ThinkPower Information Co., Ltd.	Other related party
Funds managed by Cathay Securities Investment Trust Co., Ltd.	Other related party
Private Equity Fund managed by Cathay Private Equity	Other related party
Ally Logistic Property Co., Ltd.	Other related party
Cathay Real Estate Development Co., Ltd.	Other related party
Cathay Healthcare Management Co., Ltd.	Other related party
Cathay Medical Care Corp.	Other related party
Cathay Hospitality Management Co., Ltd.	Other related party
San Ching Engineering Co., Ltd.	Other related party
Cathay Hospitality Consulting Co., Ltd.	Other related party
Cymlin Co., Ltd.	Other related party
Cymder Co., Ltd.	Other related party before June 2025
Cymbal Medical Network Co., Ltd.	Other related party
Daiwa - Cathay Capital Markets Co., Ltd.	Other related party
Yi Ru Capital Co., Ltd.	Other related party
Lin Yuan Investment Co., Ltd.	Other related party
CDIB & PARTNERS Investment Holding Corporation	Other related party
Cathay Food & Beverage Group Co., Ltd.	Other related party
Yu Heng Capital Co., Ltd.	Other related party
Cathay United Bank Foundation	Other related party
Financial Information Service Co., Ltd.	Other related party
Srisawad Corporation Public Company Limited	Other related party
Other (including directors, supervisors, key management personnel and their spouses and relatives within the second-degree of kinship)	Other related party

(Concluded)

b. Significant transactions with related parties:

1) Property transactions

Property transactions between the Group and related parties are in the nature of undertaking contracted projects, trade, lease transactions and software appliance. The terms of such transactions are based on market surveys, the contracted terms of both parties and public bidding.

a) Significant transactions from undertaking contracted projects with related parties are listed below:

Name	For the Nine Months Ended September 30			
	2025	2024	Items	Amount
Associate				
Lin Yuan Property Management Co., Ltd.	Cathay Financial Center, etc.	\$ 20,756	Kaohsiung Zhong-Zheng Building etc.	\$ 11,579
PSS Co., Ltd.	-	<u>20,756</u>	Tucheng East Building, etc.	<u>26,386</u>
				<u>37,965</u>
Other related party				
San Ching Engineering Co., Ltd.	Taichung HeCuo Section, etc.	2,823,517	Taoyuan High Speed Rail Manufacturing Park etc.	4,912,434
Ally Logistic Property Co., Ltd.	Taoyuan Daxi Ruixing Section, etc.	<u>1,484,152</u>	Yangmei Erchongxi Warehousing etc.	<u>2,237,097</u>
		<u>4,307,669</u>		<u>7,149,531</u>
		<u>\$ 4,328,425</u>		<u>\$ 7,187,496</u>

As of September 30, 2025, December 31, 2024 and September 30, 2024, the total amounts of contracted projects for real estate between the Group and Lin Yuan Property Management Co., Ltd. were \$59,717 thousand, \$27,542 thousand and \$15,100 thousand, respectively.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the total amounts of contracted projects for real estate between the Group and PSS Co., Ltd. were \$41,816 thousand, \$35,340 thousand and \$35,340 thousand, respectively.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the total amounts of contracted projects for real estate between the Group and San Ching Engineering Co., Ltd. were \$26,976,356 thousand, \$13,974,267 thousand and \$13,667,600 thousand, respectively.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the total amounts of contracted projects for real estate between the Group and Ally Logistic Property Co., Ltd. were \$2,409,524 thousand, \$2,409,524 thousand and \$0 thousand, respectively.

b) Real-estate rental (the Group as lessor)

Name	Rental Income			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company				
Cathay Financial Holdings	\$ 49,742	\$ 40,417	\$ 150,837	\$ 120,271
Subsidiary				
Cathay Securities				
Investment Consulting	2,570	2,532	7,709	7,596
Associate and its subsidiary				
Yua-Yung Marketing (Taiwan) Co., Ltd.	18,433	15,852	51,020	46,091
Lin Yuan Property Management Co., Ltd.	10,193	7,953	27,915	20,710
Hong-Sui Co., Ltd.	9,022	8,544	26,789	22,466

(Continued)

Name	Rental Income			
	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
PSS Co., Ltd.	\$ 2,742	\$ -	\$ 8,391	\$ -
Symphox Information Co., Ltd.	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,830</u>
	<u>40,390</u>	<u>32,349</u>	<u>114,115</u>	<u>97,097</u>
Joint venture				
Symphox Information Co., Ltd.	<u>7,847</u>	<u>7,830</u>	<u>23,547</u>	<u>15,659</u>
Fellow subsidiary and its subsidiary				
Cathay United Bank Co., Ltd.	228,296	206,957	625,130	587,452
Cathay Century Insurance Co., Ltd.	34,203	34,452	103,156	102,245
Cathay Securities Corporation	21,647	23,970	64,430	60,110
Cathay Securities Investment Trust Co., Ltd.	19,100	15,898	50,897	46,417
Cathay Venture Inc.	2,222	2,221	6,666	6,760
Cathay Futures Co., Ltd.	<u>1,740</u>	<u>1,695</u>	<u>5,221</u>	<u>5,508</u>
	<u>307,208</u>	<u>285,193</u>	<u>855,500</u>	<u>808,492</u>
Other related party				
Ally Logistic Property Co., Ltd.	324,367	174,974	841,609	685,522
Cathay Hospitality Consulting Co., Ltd.	74,703	53,999	253,935	158,995
Cathay Hospitality Management Co., Ltd.	53,475	51,120	174,946	153,086
Cathay Medical Care Corp.	55,379	50,842	161,002	155,722
Cathay Healthcare Management Co., Ltd.	28,011	25,467	83,447	75,841
Cathay Real Estate Development Co., Ltd.	4,581	4,466	13,512	13,797
Cymlin Co., Ltd.	2,206	2,206	6,620	6,620
San Ching Engineering Co., Ltd.	1,521	1,498	4,518	4,495
Cathay United Bank Foundation	1,312	1,312	3,937	3,937
Cymbal Medical Network Co., Ltd.	1,197	1,197	3,591	3,556
Yu Heng Capital Co., Ltd.	3,226	-	3,226	-
Cymder Co., Ltd.	<u>-</u>	<u>2,075</u>	<u>3,211</u>	<u>6,226</u>
	<u>549,978</u>	<u>369,156</u>	<u>1,553,554</u>	<u>1,267,797</u>
	<u>\$ 957,735</u>	<u>\$ 737,477</u>	<u>\$ 2,705,262</u>	<u>\$ 2,316,912</u>
				(Concluded)

Name	Guarantee Deposits Received		
	September 30, 2025	December 31, 2024	September 30, 2024
Parent company			
Cathay Financial Holdings	\$ 46,826	\$ 46,826	\$ 47,222
Associate and its subsidiary			
Yua-Yung Marketing (Taiwan) Co., Ltd.	15,938	13,670	13,830
Lin Yuan Property Management Co., Ltd.	8,093	7,538	7,538
Hong-Sui Co., Ltd.	8,072	7,332	7,332
PSS Co., Ltd.	3,482	3,482	3,482
	<u>35,585</u>	<u>32,022</u>	<u>32,182</u>
Joint venture			
Symphox Information Co., Ltd.	7,723	7,723	7,723
Fellow subsidiary			
Cathay United Bank Co., Ltd.	221,036	212,565	212,565
Cathay Century Insurance Co., Ltd.	38,040	38,040	37,303
Cathay Securities Investment Trust Co., Ltd.	20,771	14,674	14,674
Cathay Securities Corporation	20,475	21,848	22,539
	<u>300,322</u>	<u>287,127</u>	<u>287,081</u>
Other related party			
Ally Logistic Property Co., Ltd.	312,121	305,178	204,312
Cathay Hospitality Management Co., Ltd.	195,658	194,413	194,054
Cathay Hospitality Consulting Co., Ltd.	189,448	188,707	187,500
Cathay Medical Care Corp.	67,906	61,512	61,512
Cathay Healthcare Management Co., Ltd.	30,103	30,103	30,103
Cathay Food & Beverage Group Co., Ltd.	8,517	-	-
Cathay Real Estate Development Co., Ltd.	4,303	4,039	4,039
Cymlin Co., Ltd.	4,203	4,081	4,081
Yu Heng Capital Co., Ltd.	3,072	-	-
	<u>815,331</u>	<u>788,033</u>	<u>685,601</u>
	<u><u>\$ 1,205,787</u></u>	<u><u>\$ 1,161,731</u></u>	<u><u>\$ 1,059,809</u></u>

Lease periods and collection of rentals are in compliance with the lease contracts. Lease periods are usually between 2 to 5 years and rentals are collected on a monthly basis.

c) Lease arrangements

i. Acquisition of right-of-use assets

Name	For the Nine Months Ended September 30	
	2025	2024
Fellow subsidiary		
Cathay United Bank Co., Ltd.	\$ _____ -	\$ 60,256
Other related party		
Lin Yuan Investment Co., Ltd.	_____ -	4,705
	_____ -	64,961
	\$ _____ -	\$ 64,961

ii. Lease liabilities

Name	September 30, 2025	December 31, 2024	September 30, 2024
Fellow subsidiary			
Cathay United Bank Co., Ltd.	\$ 15,280	\$ 37,929	\$ 45,407
Other related party			
Cathay Real Estate			
Development Co., Ltd.	30,535	-	-
Yi Ru Capital Co., Ltd.	3,024	6,005	6,989
Lin Yuan Investment Co., Ltd.	1,780	3,535	4,114
	35,339	9,540	11,103
	\$ 50,619	\$ 47,469	\$ 56,510

iii. Guarantee deposits paid

Name	September 30, 2025	December 31, 2024	September 30, 2024
Fellow subsidiary			
Cathay United Bank Co., Ltd.	\$ 7,555	\$ 7,555	\$ 7,555
Other related party			
Cathay Real Estate			
Development Co., Ltd.	3,103	2,072	2,072
	\$ 10,658	\$ 9,627	\$ 9,627

d) Acquisition of equipment from related parties - computer equipment and software

Name	For the Nine Months Ended September 30	
	2025	2024
Other related party ThinkPower Information Co., Ltd.	\$ 9,141	\$ 7,665

2) Shares transactions

Balance of shares issued by the related parties

Name	Nature of Transaction	September 30, 2025	December 31, 2024	September 30, 2024
Other related party				
Srisawad Corporation Public Company Limited	Ordinary shares	\$ 2,143,969	\$ 2,755,270	\$ 2,929,456
CDIB & PARTNERS Investment Holding Corporation	Ordinary shares	1,084,860	1,088,640	987,120
Cathay Real Estate Development Co., Ltd.	Ordinary shares	997,556	1,323,518	1,403,481
Daiwa - Cathay Capital Markets Co., Ltd.	Ordinary shares	156,200	155,500	154,500
		\$ 4,382,585	\$ 5,322,928	\$ 5,474,557

Refer to Note 13, Table 1 and Table 7 for the balance of investment in associates.

3) Cash in banks

Name	Nature of Transaction	September 30, 2025	December 31, 2024	September 30, 2024
Fellow subsidiary				
Cathay United Bank Co., Ltd.	Time deposit	\$ 2,717,487	\$ 2,140,512	\$ 2,179,398
	Demand deposit	69,573,120	48,379,217	75,033,985
	Security deposit	294,424	534,982	984,773
	Checking deposit	263,006	289,581	255,901
		72,848,037	51,344,292	78,454,057
Subsidiary of fellow subsidiary				
Indovina Bank Limited	Time deposit	3,192,426	3,579,967	2,584,114
	Demand deposit	105,919	67,165	113,273
		3,298,345	3,647,132	2,697,387
		\$ 76,146,382	\$ 54,991,424	\$ 81,151,444

For the three months and nine months ended September 30, 2025 and 2024, the interest income earned from above bank deposits in Cathay United Bank Co., Ltd. amounted to \$167,248 thousand, \$161,915 thousand, \$404,360 thousand and \$398,040 thousand, respectively.

For the three months and nine months ended September 30, 2025 and 2024, the interest income earned from above bank deposits in Indovina Bank Limited amounted to \$68,570 thousand, \$52,338 thousand, \$225,531 thousand and \$155,868 thousand, respectively.

4) Loans

Name	For the Nine Months Ended September 30, 2025		
	Maximum	Rate	Ending Balance
Other related party			
Cathay Real Estate Development Co., Ltd.	\$ 100,229	2.70%	\$ 100,000
Others	905,928	1.67%-3.5%	<u>872,528</u>
			\$ 972,528

Name	For the Nine Months Ended September 30, 2024		
	Maximum	Rate	Ending Balance
Other related party	\$ 913,526	1.67%-3.5%	\$ 677,461

For the three months and nine months ended September 30, 2025 and 2024, the interest income earned from above loans to Cathay Real Estate Development Co., Ltd. amounted to \$679 thousand, \$0 thousand, \$709 thousand and \$0 thousand, respectively.

For the three months and nine months ended September 30, 2025 and 2024, the interest income earned from above loans to other related party amounted to \$5,317 thousand, \$3,997 thousand, \$13,434 thousand and \$11,987 thousand, respectively.

5) Balance of funds managed by related parties

Name	Item	September 30,	December 31,	September 30,
		2025	2024	2024
Other related party				
Funds managed by Cathay Securities Investment Trust Co., Ltd.	Market value	\$ 102,045,599	\$ 108,849,482	\$ 89,746,809
	Cost	<u>\$ 118,701,897</u>	<u>\$ 120,880,029</u>	<u>\$ 98,662,732</u>
Private equity Fund managed by Cathay Private Equity	Market value	\$ 2,329,465	\$ 2,292,750	\$ 2,166,500
	Cost	<u>\$ 1,771,649</u>	<u>\$ 1,707,635</u>	<u>\$ 1,718,707</u>

6) Balance of discretionary management investments

Name	September 30, 2025	December 31, 2024	September 30, 2024
Fellow subsidiary			
Cathay Securities Investment Trust Co., Ltd.	\$ 317,521,674	\$ 328,066,149	\$ 371,464,974
Subsidiary of associate			
Conning Holdings Limited	1,434,607,703	1,489,887,649	1,421,065,262
Global Evolution Holding ApS	<u>22,196,504</u>	<u>21,737,969</u>	<u>21,666,784</u>
	<u>1,456,804,207</u>	<u>1,511,625,618</u>	<u>1,442,732,046</u>
	<u><u>\$ 1,774,325,881</u></u>	<u><u>\$ 1,839,691,767</u></u>	<u><u>\$ 1,814,197,020</u></u>

7) Other receivables

Name	September 30, 2025	December 31, 2024	September 30, 2024
Parent company			
Cathay Financial Holdings (Note)	\$ -	\$ 12,507,834	\$ 10,777,318
Fellow subsidiary and its subsidiary			
Indovina Bank Limited	254,844	282,681	248,114
Cathay Century Insurance Co., Ltd.	114,588	92,803	115,533
Cathay United Bank Co., Ltd.	67,313	50,683	69,280
Cathay Securities Investment Trust Co., Ltd.	29,561	28,457	24,007
Cathay Insurance (Vietnam) Co., Ltd.	<u>2,283</u>	<u>2,778</u>	<u>3,110</u>
	<u>468,589</u>	<u>457,402</u>	<u>460,044</u>
Joint venture and its subsidiary			
Greater Changhua Offshore Wind Farm NW Ltd.	38,095,784	17,870,899	-
Greater Changhua NW Holdings Ltd.	<u>8,563,243</u>	<u>-</u>	<u>-</u>
	<u>46,659,027</u>	<u>17,870,899</u>	<u>-</u>
	<u><u>\$ 47,127,616</u></u>	<u><u>\$ 30,836,135</u></u>	<u><u>\$ 11,237,362</u></u>

Note: Income tax refundable under the integrated income tax system.

8) Prepayments

Name	September 30, 2025	December 31, 2024	September 30, 2024
Subsidiary of associate			
Conning Holdings Limited	\$ -	\$ -	\$ 4,599

9) Guarantee deposits paid (for future transactions)

Name	September 30, 2025	December 31, 2024	September 30, 2024
Subsidiary of fellow subsidiary			
Cathay Futures Co., Ltd.	\$ 1,349,891	\$ 2,176,755	\$ 2,151,650

For the three months and nine months ended September 30, 2025 and 2024, the interest income earned from the above guarantee deposits paid in Cathay Futures Co., Ltd. amounted to \$1,869 thousand, \$2,403 thousand, \$6,797 thousand and \$6,300 thousand, respectively.

10) Guarantee deposits received and collateral

Name	September 30, 2025	December 31, 2024	September 30, 2024
Associate			
Lin Yuan Property Management Co., Ltd.	\$ 5,000	\$ 5,000	\$ 5,000
PSS Co., Ltd.	2,447	1,842	3,809
	<u>7,447</u>	<u>6,842</u>	<u>8,809</u>
Other related party			
San Ching Engineering Co., Ltd.	3,141,741	1,913,018	1,880,818
Ally Logistic Property Co., Ltd.	2,576,599	2,576,599	1,817,599
	<u>5,718,340</u>	<u>4,489,617</u>	<u>3,698,417</u>
	<u><u>\$ 5,725,787</u></u>	<u><u>\$ 4,496,459</u></u>	<u><u>\$ 3,707,226</u></u>

11) Other payables

Name	September 30, 2025	December 31, 2024	September 30, 2024
Parent company			
Cathay Financial Holdings (Note)	\$ 26,031,581	\$ 70,989	\$ 1,008,689
Associate and its subsidiary			
Conning Holdings Limited	291,959	312,739	315,354
Lin Yuan Property Management Co., Ltd.	77,409	7,921	63,049
Global Evolution Holding ApS	42,098	21,495	21,108
	<u>411,466</u>	<u>342,155</u>	<u>399,511</u>
Joint venture			
Sympbox Information Co., Ltd.	24,056	5,324	25,661
Fellow subsidiary			
Cathay United Bank Co., Ltd.	892,423	397,102	763,051
Cathay Securities Investment Trust Co., Ltd.	28,253	26,533	21,564
Cathay Century Insurance Co., Ltd.	17,070	5,033	1,776
	<u>937,746</u>	<u>428,668</u>	<u>786,391</u>
	<u><u>\$ 27,404,849</u></u>	<u><u>\$ 847,136</u></u>	<u><u>\$ 2,220,252</u></u>

Note: The payables are comprised of remuneration of directors and supervisors, accrued interests of bonds payable, and payables calculated under the integrated income tax system.

12) Bonds payable

Name	September 30, 2025	December 31, 2024	September 30, 2024
Parent company			
Cathay Financial Holdings	\$ 35,000,000	\$ 35,000,000	\$ 35,000,000

13) Premium income

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company				
Cathay Financial Holdings	\$ 2,034	\$ 2,777	\$ 6,917	\$ 7,473
Fellow subsidiary				
Cathay United Bank Co., Ltd.	44,404	28,943	125,394	121,055
Cathay Century Insurance Co., Ltd.	8,785	8,818	26,384	28,472
Cathay Securities Corporation	4,850	4,772	14,859	14,255
Cathay Securities Investment Trust Co., Ltd.	1,627	1,792	4,636	3,510
	<u>59,666</u>	<u>44,325</u>	<u>171,273</u>	<u>167,292</u>
Associate				
Lin Yuan Property Management Co., Ltd.	1,009	1,410	3,972	4,061
Other related party				
Cathay Medical Care Corp.	13,698	14,006	32,228	39,437
San Ching Engineering Co., Ltd.	1,391	1,289	4,582	3,169
Financial Information Service Co., Ltd.	1,684	-	3,345	-
Cathay Healthcare Management Co., Ltd.	792	4	3,143	2,084
Others	<u>19,671</u>	<u>45,574</u>	<u>81,686</u>	<u>103,789</u>
	<u>37,236</u>	<u>60,873</u>	<u>124,984</u>	<u>148,479</u>
	<u>\$ 99,945</u>	<u>\$ 109,385</u>	<u>\$ 307,146</u>	<u>\$ 327,305</u>

14) Fee income

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Fellow subsidiary				
Cathay Securities Investment Trust Co., Ltd.	\$ 24,725	\$ 22,864	\$ 65,756	\$ 66,233

15) Insurance expenses

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Fellow subsidiary Cathay Century Insurance Co., Ltd.	\$ 29,943	\$ 14,668	\$ 181,042	\$ 164,043

16) Insurance claims payments

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Fellow subsidiary Cathay United Bank Co., Ltd.	\$ _____ -	\$ _____ -	\$ 46,118	\$ _____ -

17) Other operating revenue

Discontinued operations

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Fellow subsidiary Cathay Securities Investment Trust Co., Ltd.	\$ _____ -	\$ _____ -	\$ _____ -	\$ 16,770

18) Other operating costs

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Fellow subsidiary Cathay United Bank Co., Ltd.	\$ 281,722	\$ 270,854	\$ 815,843	\$ 783,582
Cathay Securities Investment Trust Co., Ltd.	116,327	69,688	343,381	191,044
	398,049	340,542	1,159,224	974,626
Subsidiary of associate Conning Holdings Limited	296,636	307,507	877,621	637,967
Global Evolution Holding ApS	21,411	20,967	62,826	43,043
	318,047	328,474	940,447	681,010
	\$ 716,096	\$ 669,016	\$ 2,099,671	\$ 1,655,636

19) Finance costs

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company				
Cathay Financial Holdings	\$ 317,589	\$ 316,722	\$ 942,411	\$ 943,279

The finance costs were incurred by the bonds payable issued by the Company.

20) Operating expenses

Continuing operations

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company				
Cathay Financial Holdings	\$ -	\$ -	\$ 10,890	\$ 8,332
Associate and its subsidiary				
Lin Yuan Property				
Management Co., Ltd.	305,232	285,587	914,539	812,695
Conning Holdings Limited	-	1,971	2,628	3,285
Symphox Information Co., Ltd.	-	-	-	44,775
Seaward Card Co., Ltd.	<u>305,232</u>	<u>287,558</u>	<u>917,167</u>	<u>882,164</u>
Joint venture and its subsidiary				
Symphox Information Co., Ltd.	58,320	56,745	179,624	108,001
Seaward Card Co., Ltd.	<u>21,912</u>	<u>20,793</u>	<u>68,068</u>	<u>41,171</u>
	<u>80,232</u>	<u>77,538</u>	<u>247,692</u>	<u>149,172</u>
Fellow subsidiary				
Cathay United Bank Co., Ltd.	2,844,090	2,085,629	8,568,050	6,007,883
Cathay Securities Investment Trust Co., Ltd.	3,391	-	10,635	-
Cathay Securities Corporation	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,900</u>
	<u>2,847,481</u>	<u>2,085,629</u>	<u>8,578,685</u>	<u>6,011,783</u>
Other related party				
ThinkPower Information Co., Ltd.	3,358	6,099	9,756	10,431
Cathay Real Estate Development Co., Ltd.	1,187	1,408	4,201	3,642
Cathay Healthcare Management Co., Ltd.	725	1,000	3,595	1,096
San Ching Engineering Co., Ltd.	<u>975</u>	<u>975</u>	<u>2,925</u>	<u>4,145</u>
	<u>6,245</u>	<u>9,482</u>	<u>20,477</u>	<u>19,314</u>
	<u>\$ 3,239,190</u>	<u>\$ 2,460,207</u>	<u>\$ 9,774,911</u>	<u>\$ 7,070,765</u>

Discontinued operations

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Subsidiary				
Cathay Securities Investment Consulting	\$ -	\$ -	\$ -	\$ 28,020
Other related party				
ThinkPower Information Co., Ltd.	_____ -	_____ -	_____ -	4,817
	<u>\$</u> <u>_____ -</u>	<u>\$</u> <u>_____ -</u>	<u>\$</u> <u>_____ -</u>	<u>\$</u> <u>32,837</u>

21) Non-operating income

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Parent company				
Cathay Financial Holdings	\$ 2,578	\$ 2,341	\$ 25,496	\$ 15,801
Fellow subsidiary and its subsidiary				
Cathay Century Insurance Co., Ltd.	228,252	226,776	687,809	664,954
Cathay United Bank Co., Ltd.	57,029	58,195	177,577	176,567
Cathay Securities Corporation	78,908	78,277	164,685	227,309
Cathay Securities Investment Trust Co., Ltd.	13,148	7,047	37,881	26,135
Cathay Futures Co., Ltd.	1,966	2,531	7,052	6,690
Cathay Insurance (Vietnam) Co., Ltd.	<u>2,027</u>	<u>2,831</u>	<u>6,922</u>	<u>8,203</u>
	<u>381,330</u>	<u>375,657</u>	<u>1,081,926</u>	<u>1,109,858</u>
Other related party				
Cathay Hospitality Consulting Co., Ltd.	1,347	1,233	4,907	4,930
Cathay Healthcare Management Co., Ltd.	<u>1,146</u>	<u>1,055</u>	<u>4,584</u>	<u>4,161</u>
	<u>2,493</u>	<u>2,288</u>	<u>9,491</u>	<u>9,091</u>
	<u>\$ 386,401</u>	<u>\$ 380,286</u>	<u>\$ 1,116,913</u>	<u>\$ 1,134,750</u>

The non-operating income was mainly generated from the Group's integrated promotion activities.

22) Other net investment income

Name	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Associate				
Generali Investments Holding S.p.A.	\$ _____ -	\$ _____ -	\$ 246,526	\$ _____ -

23) Others

As of September 30, 2025, December 31, 2024 and September 30, 2024, the nominal amounts of the derivative instruments transacted with Cathay United Bank Co., Ltd. are summarized as follows (in thousands of each currency):

Name	September 30, 2025	December 31, 2024	September 30, 2024
SWAP	US\$ 2,340,000	US\$ 1,350,000	US\$ 900,000
Forward	US\$ 500,000	US\$ 3,550,000	US\$ 3,150,000

c. Remuneration of key management personnel

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
Short-term employee benefits	\$ 18,054	\$ 19,039	\$ 70,039	\$ 59,656
Post-employment benefits	716	701	2,148	2,103
	<u>\$ 18,770</u>	<u>\$ 19,740</u>	<u>\$ 72,187</u>	<u>\$ 61,759</u>

Key management personnel include the chairman, directors, president, managing senior executive vice president and senior executive vice president.

37. SEPARATE ACCOUNT INSURANCE PRODUCTS

a. The related accounts of the Company were summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Separate account insurance product assets</u>			
Cash in bank	\$ 470,738	\$ 612,078	\$ 668,152
Financial assets at FVTPL	793,019,935	774,239,033	772,019,169
Other receivables	7,270,190	16,013,626	6,054,616
	<u>\$ 800,760,863</u>	<u>\$ 790,864,737</u>	<u>\$ 778,741,937</u>
<u>Separate account insurance product liabilities</u>			
Other payables	\$ 1,049,303	\$ 1,681,405	\$ 983,171
Reserve for separate account - insurance contracts	294,390,349	286,190,196	287,980,070
Reserve for separate account - investment contracts	505,321,211	502,993,136	489,778,696
	<u>\$ 800,760,863</u>	<u>\$ 790,864,737</u>	<u>\$ 778,741,937</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
	<u>Separate account insurance product income</u>			
Premium income	\$ 9,874,574	\$ 10,065,678	\$ 27,496,422	\$ 19,970,928
Interest income	3,106	3,683	9,317	10,560
Gains on financial assets at FVTPL	20,250,915	9,705,298	33,651,046	29,001,905
Foreign exchange gains (losses)	<u>6,745,949</u>	<u>(4,954,697)</u>	<u>(14,821,658)</u>	<u>6,263,442</u>
	<u>\$ 36,874,544</u>	<u>\$ 14,819,962</u>	<u>\$ 46,335,127</u>	<u>\$ 55,246,835</u>
<u>Separate account insurance product expenses</u>				
Claims and payments	\$ 2,952,375	\$ 3,792,628	\$ 8,553,437	\$ 9,897,464
Cash surrender value	7,411,906	9,910,043	23,874,171	27,363,193
Provision of separate account reserve	25,538,738	166,095	11,028,434	15,193,058
Administrative expenses	1,056,424	1,019,549	3,095,631	2,962,383
Non-operating income and expenses	<u>(84,899)</u>	<u>(68,353)</u>	<u>(216,546)</u>	<u>(169,263)</u>
	<u>\$ 36,874,544</u>	<u>\$ 14,819,962</u>	<u>\$ 46,335,127</u>	<u>\$ 55,246,835</u>

For the three months and nine months ended September 30, 2025 and 2024, the rebates earned from counterparties due to the business of separate account insurance products amounted to \$150,990 thousand, \$176,328 thousand, \$490,585 thousand and \$504,152 thousand, respectively, which were recorded under fee income.

b. The related accounts of Cathay Lujiazui Life were summarized as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Separate account insurance product assets</u>			
Cash in bank	\$ 11,080	\$ 9,492	\$ 8,793
Financial assets at FVTPL	85,054	84,210	87,623
Other	<u>9</u>	<u>7</u>	<u>12</u>
	<u>\$ 96,143</u>	<u>\$ 93,709</u>	<u>\$ 96,428</u>
<u>Separate account insurance product liabilities</u>			
Other payables	\$ 1,137	\$ 27	\$ -
Reserve for separate account	<u>95,006</u>	<u>93,682</u>	<u>96,428</u>
	<u>\$ 96,143</u>	<u>\$ 93,709</u>	<u>\$ 96,428</u>

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2025	2024	2025	2024
<u>Separate account insurance product income</u>				
Premium income	\$ 13	\$ 14	\$ 17	\$ 39
Gains on financial assets at FVTPL	11,932	5,328	17,735	3,063
Interest income	<u>2</u>	<u>4</u>	<u>6</u>	<u>14</u>
	<u><u>\$ 11,947</u></u>	<u><u>\$ 5,346</u></u>	<u><u>\$ 17,758</u></u>	<u><u>\$ 3,116</u></u>
<u>Separate account insurance product expenses</u>				
Cash surrender value	\$ 6,640	\$ (2,293)	\$ 11,012	\$ (1,219)
Provision of separate account reserve	4,935	7,367	5,803	3,510
Other	<u>372</u>	<u>272</u>	<u>943</u>	<u>825</u>
	<u><u>\$ 11,947</u></u>	<u><u>\$ 5,346</u></u>	<u><u>\$ 17,758</u></u>	<u><u>\$ 3,116</u></u>

38. THE ALLOCATION OF REVENUE AND EXPENSES ARISING FROM BUSINESS TRANSACTIONS, PROMOTION ACTIVITIES AND INFORMATION SHARING BETWEEN PARENT COMPANY AND OTHER SUBSIDIARIES

To elaborate the benefits of economic scale, Cathay Financial Holdings and its subsidiaries cooperate to launch promotion activities, and the related expenses are allocated to each subsidiary directly by the nature of business or on other reasonable basis.

39. PLEDGED ASSETS

a. The Company

The Company provided cash, demand deposits, time deposits and government bonds as collateral for the renting of real estate, as guarantee to the courts for litigations and equity margin deposit. Moreover, pursuant to Article 141 of the Insurance Act, the Company deposited 15% of its capital in the Central Bank as the insurance operation guarantee deposits. Pledged assets are summarized based on the net carrying amounts as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits paid - government bonds	\$ 10,097,487	\$ 10,013,461	\$ 10,066,709
Guarantee deposits paid - time deposits	22,461,188	22,460,102	705,416
Guarantee deposits paid - demand deposits	182,511	182,511	-
Guarantee deposits paid - others	<u>22,716</u>	<u>22,976</u>	<u>22,927</u>
	<u><u>\$ 32,763,902</u></u>	<u><u>\$ 32,679,050</u></u>	<u><u>\$ 10,795,052</u></u>

b. Cathay Lujiazui Life

According to the requirement by the National Financial Regulatory Administration, the guaranteed deposit is 20% of the registered capital. Details are as follows (in thousands of CNY):

	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits paid - time deposits	<u>CNY 600,000</u>	<u>CNY 600,000</u>	<u>CNY 600,000</u>

c. Cathay Life (Vietnam)

According to the requirement by the Ministry of Finance of Vietnam, the guaranteed deposit is 2% of the legal capital. Details are as follows (in thousands of VND):

	September 30, 2025	December 31, 2024	September 30, 2024
Guarantee deposits paid - time deposits	<u>VND15,000,000</u>	<u>VND15,000,000</u>	<u>VND15,000,000</u>

d. Cathay Power

The following assets have been provided as collateral for loans and guarantees:

Item of Asset	September 30, 2025	December 31, 2024	September 30, 2024	Use of Guarantee
Demand deposits	\$ 152,894	\$ 172,584	\$ 472,809	Reserve accounts
Time deposits	181,244	178,746	198,241	Performance securities
Other equipments	<u>9,210,674</u>	<u>8,943,026</u>	<u>8,792,826</u>	Pledge for borrowings
	<u>\$ 9,544,812</u>	<u>\$ 9,294,356</u>	<u>\$ 9,463,876</u>	

e. Cathay Wind Power

The following assets have been provided as collateral for loans:

Item of Asset	September 30, 2025	December 31, 2024	September 30, 2024	Use of Guarantee
Demand deposits	\$ 23,708	\$ 140,856	\$ -	Reserve accounts
Investments accounted for using the equity method	<u>3,779,372</u>	<u>3,756,348</u>	<u>-</u>	Pledge for borrowings
	<u>\$ 3,803,080</u>	<u>\$ 3,897,204</u>	<u>\$ -</u>	

40. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

a. The Company has its own formal control and response policies to manage legal claims. Once the losses can be reasonably estimated based on professional advices, the Company will recognize the losses and adjust negative impacts on financial figures resulting from the claims.

- b. As of September 30, 2025, the remaining capital commitments for the contracted private equity fund of the Company were in the amount of NT\$51,700 thousand, US\$3,129,450 thousand, EUR410,400 thousand.
- c. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company has entered into irrevocable corporate finance and consumer lending loans with the amounts were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
NTD	\$ 8,436,024	\$ 7,823,102	\$ 7,838,023

- d. Cathay Wind Power has entered into major agreements, including a share purchase agreement, with Ørsted Wind Power TW Holding A/S and the financing banking syndicate. Through Cathay Wind Power, the Group will acquire 50% of the common and preferred shares of Greater Changhua NW Holdings Ltd. as well as 50% of the intercompany debt claims from Greater Changhua NW Holdings Ltd. and Greater Changhua Offshore Wind Farm NW Ltd. Furthermore, a tripartite agreement has been signed between the Company, Cathay Wind Power Holdings and the beneficiaries. Cathay Wind Power Holdings shall have the right to require the Company to fulfill its capital injection obligations.

41. FINANCIAL INSTRUMENTS

- a. Valuation technique and assumptions used in determining the fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

- 1) The carrying amount of cash and cash equivalents, accounts receivable and accounts payable approximate their fair value due to their short maturities.
- 2) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- 3) Fair value of equity instruments without an active market (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of liquidity, P/E ratio of similar entities and P/B ratio of similar entities).
- 4) Fair value of debt instruments without an active market is determined based on the counterparty prices or valuation method. The valuation method uses discounted cash flow method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for fixed rate commercial paper published by Reuters and credit risk information).
- 5) The fair values of derivatives which are not options and without an active market is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivatives is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

6) The Group evaluates the credit risk of the derivative contract traded over-the-counter through the following calculation. Under the assumption that the Group will not default, the Group determines their credit value adjustment by multiplying three factors, specifically probability of default, loss given default, and exposure at default, of the counterparty. On the other hand, under the assumption that the counterparty will not default, the Group calculates their debit value adjustment by multiplying three factors, specifically probability of default, loss given default, and exposure at default, of the Group. The Group decides the estimated probability of default by referring to the probability of default announced by external credit rating agencies. The Group sets estimated loss given default at 60% by considering the experience of Jon Gregory, a scholar, and foreign financial institutions. The estimated exposure at default for current period is evaluated by considering the fair value of the derivative instruments traded at Taipei Exchange.

b. Financial instruments not measured at fair value

Except for the accounts whose carrying amounts approximate their fair values, including cash and cash equivalents, receivables, loans, guarantee deposits paid, payables, bonds payable, lease liabilities and guarantee deposits received, the fair values of the financial instruments which are not measured at fair value are listed in the following table:

September 30, 2025

	Carrying Amount	Fair Values			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets measured at amortized cost (Note)	\$ 3,998,728,305	\$ 20,466,235	\$ 3,216,280,457	\$ -	\$ 3,236,746,692

December 31, 2024

	Carrying Amount	Fair Values			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets measured at amortized cost (Note)	\$ 4,363,891,515	\$ 24,203,253	\$ 3,391,511,220	\$ -	\$ 3,415,714,473

September 30, 2024

	Carrying Amount	Fair Values			Total
		Level 1	Level 2	Level 3	
<u>Financial assets</u>					
Financial assets measured at amortized cost (Note)	\$ 4,197,026,218	\$ 25,005,963	\$ 3,486,297,920	\$ -	\$ 3,511,303,883

Note: Including those serving as refundable deposits.

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined in accordance with the income approach based on a discounted cash flow analysis. Significant unobservable inputs used in Level 3 fair value measurement were the discount rates that reflect the credit risk of counterparties and the cash flows that reflect the feature of early reimbursement.

c. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

Items	September 30, 2025				December 31, 2024				September 30, 2024			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
<u>Non-derivative instruments</u>												
Assets												
Financial assets at FVTPL												
Stocks	\$ 514,357,406	\$ 511,814,838	\$ 76,489	\$ 2,466,079	\$ 515,996,359	\$ 512,890,634	\$ 106,882	\$ 2,998,843	\$ 374,993,312	\$ 371,901,844	\$ 101,786	\$ 2,989,682
Bonds	347,892,435	2,082,078	334,896,433	10,913,924	347,168,451	2,881,601	334,803,981	9,482,869	344,748,175	3,123,397	332,555,481	9,069,297
Others	891,228,710	666,794,875	40,998,799	183,435,036	857,665,182	635,421,310	33,392,439	188,851,433	795,313,238	580,650,121	35,877,699	178,785,418
Financial assets at FVTOCI												
Stocks	143,583,860	141,492,357	-	2,091,503	155,403,034	153,319,789	-	2,083,245	144,288,895	142,206,334	-	2,082,561
Bonds (Note)	659,548,239	66,878,296	592,669,943	-	506,441,415	46,373,065	460,068,350	-	482,414,346	45,690,449	436,723,897	-
<u>Derivative instruments</u>												
Assets												
Financial assets at FVTPL	25,453,966	-	25,453,966	-	5,322,410	984	5,321,426	-	47,845,003	17,021	47,827,982	-
Financial assets for hedging	2,795,544	17,607	2,777,937	-	6,615	6,615	-	-	97,974	-	97,974	-
Liabilities												
Financial liabilities at FVTPL	38,085,972	-	38,085,972	-	70,517,679	-	70,517,679	-	6,524,481	-	6,524,481	-
Financial liabilities for hedging	524,846	524,846	-	-	2,591,575	23,424	2,568,151	-	1,332,408	-	1,332,408	-

Note: Including those serving as refundable deposits.

Transfers between Level 1 and Level 2:

For the nine months ended September 30, 2025, there were no transfers between Level 1 and Level 2 for assets or liabilities measured at fair value on a recurring basis. For the nine months ended September 30, 2024, the equity investments at FVTPL of \$38,536 thousand were transferred from Level 2 to Level 1 due to available market quotes.

2) Reconciliation of Level 3 fair value measurements of financial instruments:

	For the Nine Months Ended September 30, 2025	
	Financial Assets at FVTPL	Financial Assets at FVTOCI
Beginning balance	\$ 201,333,145	\$ 2,083,245
Recognized in profit or loss		
Loss on financial assets and liabilities at FVTPL	(4,501,716)	-
Gain on reclassification using the overlay approach	10,972,070	-
Recognized in other comprehensive income		
Exchange differences on translation of the financial statements of foreign operations	(1,085,319)	-
Other comprehensive loss reclassified using the overlay approach	(10,972,070)	-
Gain on equity instruments at FVTOCI	-	18,271
Purchases	20,645,004	-
Disposals	<u>(19,576,075)</u>	<u>(10,013)</u>
Ending balance	<u><u>\$ 196,815,039</u></u>	<u><u>\$ 2,091,503</u></u>
	For the Nine Months Ended September 30, 2024	
	Financial Assets at FVTPL	Financial Assets at FVTOCI
Beginning balance	\$ 214,253,446	\$ 1,972,899
Recognized in profit or loss		
Gain on financial assets and liabilities at FVTPL	6,644,207	-
Gain on reclassification using the overlay approach	5,023,883	-
Recognized in other comprehensive income		
Exchange differences on translation of the financial statements of foreign operations	141,192	72
Other comprehensive loss reclassified using the overlay approach	(5,023,883)	-
Gain on equity instruments at FVTOCI	-	132,769
Purchases	15,771,353	-
Disposals	<u>(45,261,289)</u>	<u>(19,989)</u>
Transfers into Level 3	298,773	-
Transfers out of Level 3	(101,787)	-
Disposal of subsidiary	<u>(901,498)</u>	<u>(3,190)</u>
Ending balance	<u><u>\$ 190,844,397</u></u>	<u><u>\$ 2,082,561</u></u>

Regarding the above amounts recognized in profit or loss for the nine months ended September 30, 2025 and 2024, unrealized losses of \$530,476 thousand and unrealized losses of \$148,263 thousand were related to financial assets held at the end of the period, respectively.

3) Information on significant unobservable inputs applied for Level 3 fair value measurement

The significant unobservable inputs applied for recurring Level 3 fair value measurement are as follows:

September 30, 2025				
Items	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Relationship Between Inputs and Fair Value
Financial assets at FVTPL and financial assets at FVTOCI	Equity approach	Discount for lack of liquidity	0%	The higher the discount for lack of liquidity, the lower the fair value estimates
	Market approach	Discount for lack of liquidity	11%-30%	The higher the discount for lack of liquidity, the lower the fair value estimates
	Income approach	Discount for lack of liquidity and discount for minority interest	0%-30%	The higher the discount for lack of liquidity and control, the lower the fair value estimates
		Growth rate of net profit after tax	(72%)-78%	The higher the growth rate of adjusted net profit after tax, the higher the fair value estimates
		Dividend payout ratio	6%-100%	The higher the dividend payout ratio, the higher the fair value estimates

December 31, 2024				
Items	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Relationship Between Inputs and Fair Value
Financial assets at FVTPL and financial assets at FVTOCI	Equity approach	Discount for lack of liquidity	0%-3%	The higher the discount for lack of liquidity, the lower the fair value estimates
	Market approach	Discount for lack of liquidity	11%-30%	The higher the discount for lack of liquidity, the lower the fair value estimates
	Income approach	Discount for lack of liquidity and discount for minority interest	0%-30%	The higher the discount for lack of liquidity and control, the lower the fair value estimates
		Growth rate of net profit after tax	(72%)-3103%	The higher the growth rate of adjusted net profit after tax, the higher the fair value estimates
		Dividend payout ratio	41%-90%	The higher the dividend payout ratio, the higher the fair value estimates

September 30, 2024				
Items	Valuation Techniques	Significant Unobservable Inputs	Interval (Weighted-average)	Relationship Between Inputs and Fair Value
Financial assets at FVTPL and financial assets at FVTOCI	Equity approach	Discount for lack of liquidity	0%-3%	The higher the discount for lack of liquidity, the lower the fair value estimates
	Market approach	Discount for lack of liquidity	11%-30%	The higher the discount for lack of liquidity, the lower the fair value estimates
	Income approach	Discount for lack of liquidity and discount for minority interest	6%-30%	The higher the discount for lack of liquidity and control, the lower the fair value estimates
		Growth rate of net profit after tax	(72%)-3103%	The higher the growth rate of adjusted net profit after tax, the higher the fair value estimates
		Dividend payout ratio	41%-90%	The higher the dividend payout ratio, the higher the fair value estimates

4) Valuation process for Level 3 fair value measurement

The Group's risk management department is responsible for validating the fair value measurements of financial assets and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. To ensure the fair value measurement is reasonable, the department analyzes the movements in the values of assets and liabilities which are required to be remeasured or reassessed at each reporting date according to the Group's accounting policies.

d. Categories of financial instruments

Items	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
Financial assets at FVTPL	\$ 1,778,932,517	\$ 1,726,152,402	\$ 1,562,899,728
Financial assets at FVTOCI	798,454,577	647,793,931	624,597,628
Measured at amortized cost			
Cash and cash equivalents (Note 1)	335,442,514	216,637,153	504,108,074
Receivables (Note 2)	120,299,098	121,812,977	107,995,166
Financial assets measured at amortized cost	3,963,995,969	4,320,018,167	4,188,373,707
Loans	416,805,240	402,349,780	392,659,998
Guarantee deposits paid	51,838,075	74,212,642	23,900,287
Financial assets for hedging	2,795,544	6,615	97,974
<u>Financial liabilities</u>			
Financial liabilities at FVTPL	38,085,972	70,517,679	6,524,481
Financial liabilities at amortized cost			
Payables (Note 2)	29,580,250	32,590,526	23,141,232
Short-term debt	1,470,097	-	-
Bonds payable	192,396,964	195,257,330	193,927,725
Other financial liabilities	59,058,139	30,325,544	7,769,618
Guarantee deposits received	6,531,339	3,177,667	17,345,586
Financial liabilities for hedging	524,846	2,591,575	1,332,408

Note 1: Cash on hand was excluded.

Note 2: Income tax receivables and payables under the integrated tax system were excluded.

e. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, derivative instruments, receivables, payables and bonds payable. The main financial risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

Market risk is the risk that changes in market risk factors, such as exchange rate, product price, interest rate, credit spread and stock price, may decrease the Group's income or value of investment portfolio.

The Group continuously utilizes market risk management instruments such as Value at Risk (“VaR”) and Sensitivity Analysis, to completely and effectively measure, monitor and manage market risk.

a) Value at Risk

VaR is the maximum loss on the investment portfolio due to changes in market risk factors over a given period and at a specified confidence level. Currently, the Group adopts the one-week VaR at 99% confidence levels to measure market risk.

b) Sensitivity analysis

Summary of Sensitivity Analysis

Risk Factor	Variable (+/-)	For the Nine Months Ended September 30, 2025	
		Change in Profit or Loss	Change in Equity
Foreign currency risk	Appreciation of USD/NTD by 1%	\$ 11,120,172	\$ 10,116,758
	Appreciation of CNY/USD by 1%	(15,353)	272,138
	Appreciation of HKD/USD by 1%	(252)	69,550
	Appreciation of EUR/USD by 1%	22,493	574,095
	Appreciation of GBP/USD by 1%	145,119	268,403
	Upward parallel shift of the yield curve (USD) by 1 bp	1,312	(1,481,177)
Interest rate risk	Upward parallel shift of the yield curve (CNY) by 1 bp	-	(2,530)
	Upward parallel shift of the yield curve (EUR) by 1 bp	-	(51,843)
	Upward parallel shift of the yield curve (GBP) by 1 bp	-	(22,719)
	Upward parallel shift of the yield curve (NTD) by 1 bp	-	(58,853)
	Increase in equity price by 1%	(5,008)	7,727,977

Risk Factor	Variable (+/-)	For the Nine Months Ended September 30, 2024	
		Change in Profit or Loss	Change in Equity
Foreign currency risk	Appreciation of USD/NTD by 1%	\$ 10,434,963	\$ 9,128,586
	Appreciation of CNY/USD by 1%	(652,639)	366,814
	Appreciation of HKD/USD by 1%	7,379	140,284
	Appreciation of EUR/USD by 1%	243,544	405,316
	Appreciation of GBP/USD by 1%	90,672	274,377
	Upward parallel shift of the yield curve (USD) by 1 bp	1,571	(1,264,693)
Interest rate risk	Upward parallel shift of the yield curve (CNY) by 1 bp	-	(14,891)
	Upward parallel shift of the yield curve (EUR) by 1 bp	-	(4,981)
	Upward parallel shift of the yield curve (GBP) by 1 bp	-	(3,476)
	Upward parallel shift of the yield curve (NTD) by 1 bp	-	(66,118)
	Increase in equity price by 1%	84,330	7,032,895

Note 1: Impact of credit spread changes and tax effect were not included.

Note 2: Effects of hedging and hedge accounting were considered.

Note 3: Provision or reversal of reserves for foreign exchange valuation was not considered in the change in profit or loss sensitivity due to foreign currency risk. Starting from May 2025, under the new framework for the reserve for foreign exchange valuation, the provision and reversal rate is 100%.

Note 4: Change in equity was not included in the impact on the change in profit or loss.

Note 5: Data of subsidiaries was not disclosed, as Cathay Life assessed that there would be no material impact should the disclosures for the subsidiaries be included.

2) Credit risk

a) Sources of credit risk

When engaged in financial transactions, Cathay Life is exposed to credit risks, including issuer credit risk, counterparty credit risk and credit risk of underlying assets:

- i. Issuer credit risk is the risk that the Company may suffer financial losses on debt instruments (excluding funds) or bank savings because the issuers (guarantors), borrowers or banks are not able to perform repayment obligations on agreed conditions due to default, bankruptcy or liquidation.
- ii. Counterparty credit risk is the risk that the Company may suffer financial losses because the counterparty does not perform its obligation to settle or pay at the appointed date.
- iii. Credit risk of underlying assets is the risk that the Company may suffer losses due to deterioration of the credit quality, increase of credit spread, downgrade or breach of any contract terms of underlying assets linked to financial instruments.

b) Concentration of credit risk

- i. Regional distribution of maximum risk exposure for the Company's financial assets:

Financial Assets	September 30, 2025					Total
	Taiwan	Asia	Europe	North America	Emerging Markets and Others	
Cash and cash equivalents	\$ 220,604,969	\$ 17,745,393	\$ 2,673,732	\$ 68,484,354	\$ 1,700,000	\$ 311,208,448
Financial assets at FVTPL	56,638,545	9,507,048	101,364,111	90,179,353	9,653,494	267,342,551
Financial assets at FVTOCI	30,098,440	47,842,634	92,421,724	355,047,716	127,006,912	652,417,426
Financial assets for hedging	-	993,944	1,040,521	743,472	-	2,777,937
Financial assets measured at amortized cost	116,710,337	222,743,338	589,408,728	2,021,497,540	978,389,369	3,928,749,312
	<u>\$ 424,052,291</u>	<u>\$ 298,832,357</u>	<u>\$ 786,908,816</u>	<u>\$ 2,535,952,435</u>	<u>\$ 1,116,749,775</u>	<u>\$ 5,162,495,674</u>
Proportion	8.2%	5.8%	15.2%	49.1%	21.7%	100%

Note: Taiwan is presented separately. Asia, Europe, and North America refers to developed countries located in those regions.

Financial Assets	December 31, 2024					Emerging Markets and Others	Total
	Taiwan	Asia	Europe	North America			
Cash and cash equivalents	\$ 141,444,713	\$ 14,686,585	\$ 219,653	\$ 39,918,646	\$ 8,000,000	\$ 204,269,597	
Financial assets at FVTPL	50,567,492	1,939,842	100,047,747	90,083,304	11,639,488	254,277,873	
Financial assets at FVTOCI	19,730,155	27,341,098	50,230,218	273,393,249	119,623,848	490,318,568	
Financial assets measured at amortized cost	117,104,912	241,202,748	648,362,734	2,201,776,385	1,070,962,817	4,279,409,596	
	<u>\$ 328,847,272</u>	<u>\$ 285,170,273</u>	<u>\$ 798,860,352</u>	<u>\$ 2,605,171,584</u>	<u>\$ 1,210,226,153</u>	<u>\$ 5,228,275,634</u>	
Proportion	6.3%	5.5%	15.3%	49.8%	23.1%		100%

Note: Taiwan is presented separately. Asia, Europe, and North America refers to developed countries located in those regions.

Financial Assets	September 30, 2024					Emerging Markets and Others	Total
	Taiwan	Asia	Europe	North America			
Cash and cash equivalents	\$ 345,957,654	\$ 36,395,765	\$ 138,222	\$ 84,083,751	\$ 20,900,000	\$ 487,475,392	
Financial assets at FVTPL	64,905,334	13,923,617	111,838,717	101,410,108	11,374,268	303,452,044	
Financial assets at FVTOCI	30,850,645	25,478,749	47,576,056	254,694,797	120,161,985	478,762,232	
Financial assets for hedging	-	-	12,641	85,333	-	97,974	
Financial assets measured at amortized cost	122,786,995	236,462,454	633,881,009	2,110,876,447	1,044,068,586	4,148,075,491	
	<u>\$ 564,500,628</u>	<u>\$ 312,260,585</u>	<u>\$ 793,446,645</u>	<u>\$ 2,551,150,436</u>	<u>\$ 1,196,504,839</u>	<u>\$ 5,417,863,133</u>	
Proportion	10.4%	5.8%	14.6%	47.1%	22.1%		100%

Note: Taiwan is presented separately. Asia, Europe, and North America refers to developed countries located in those regions.

ii. Regional distribution of maximum risk exposure for the Company's secured loans:

Location of Collateral	September 30, 2025					Total
	Northern and Eastern Areas	Central Area	Southern Area	Overseas		
Secured loans	\$ 164,285,043	\$ 38,889,447	\$ 46,736,062	\$ 177,345	\$ 250,087,897	
Non-accrual receivables	<u>339,487</u>	<u>29,314</u>	<u>40,996</u>	<u>1,097,920</u>	<u>1,507,717</u>	
	<u>\$ 164,624,530</u>	<u>\$ 38,918,761</u>	<u>\$ 46,777,058</u>	<u>\$ 1,275,265</u>	<u>\$ 251,595,614</u>	
Proportion	65.4%	15.5%	18.6%	0.5%		100%

Location of Collateral	December 31, 2024					Total
	Northern and Eastern Areas	Central Area	Southern Area	Overseas		
Secured loans	\$ 147,085,122	\$ 38,040,816	\$ 47,202,744	\$ 228,845	\$ 232,557,527	
Non-accrual receivables	<u>301,263</u>	<u>23,875</u>	<u>34,790</u>	<u>1,404,808</u>	<u>1,764,736</u>	
	<u>\$ 147,386,385</u>	<u>\$ 38,064,691</u>	<u>\$ 47,237,534</u>	<u>\$ 1,633,653</u>	<u>\$ 234,322,263</u>	
Proportion	62.9%	16.2%	20.2%	0.7%		100%

Location of Collateral	September 30, 2024					Total
	Northern and Eastern Areas	Central Area	Southern Area	Overseas		
Secured loans	\$ 142,937,132	\$ 34,710,933	\$ 46,377,330	\$ 232,982	\$ 224,258,377	
Non-accrual receivables	<u>494,602</u>	<u>19,556</u>	<u>28,293</u>	<u>1,356,383</u>	<u>1,898,834</u>	
	<u>\$ 143,431,734</u>	<u>\$ 34,730,489</u>	<u>\$ 46,405,623</u>	<u>\$ 1,589,365</u>	<u>\$ 226,157,211</u>	
Proportion	63.4%	15.4%	20.5%	0.7%		100%

iii. Categories for credit risk quality

The Company classified credit risk into low credit risk, medium credit risk, high credit risk and credit impaired. The definitions of each category are as follows:

- i) Low credit risk indicates that an entity or a subject has a robust ability to perform financial commitment. Even though it encounters material uncertainty or exposes to unfavorable conditions, its ability to perform financial commitment obligations will be kept and maintained.
- ii) Medium credit risk indicates that an entity or a subject has a weak ability to perform financial commitment. Unfavorable operational, financial or economic conditions will diminish its ability to perform financial commitment.
- iii) High credit risk indicates that an entity or a subject has a fragile ability to perform financial commitment. The capability to perform financial commitment depends on the favorability of its business environment and financial conditions.
- iv) Credit impaired indicates that an entity or a subject fails to fulfill its obligations, and the Company evaluates the potential losses and determines it as impaired.

iv. Determination on the credit risk that has increased significantly since initial recognition

- i) The Company assesses whether there is a significant increase in credit risk of a financial instrument applicable for impairment requirements under IFRS 9 since initial recognition at each reporting date. To make this assessment, the Company considers reasonable and supportable information (including forward-looking information) which indicates that credit risk has increased significantly since initial recognition. Main indicators include external credit rating, past due, credit spread and other market information which shows that the credit risk related to borrowers and issuers has increased significantly.
- ii) If the credit risk of a financial instrument is determined to be low at the reporting date, it indicates that the credit risk of the financial instrument has not increased significantly since initial recognition.

v. The definition of default and credit-impaired financial assets

The Company's definition of default on financial assets is the same as that of a credit-impaired financial asset. If one or more of the following criteria are met, a financial asset is considered defaulted and credit-impaired:

- i) Quantitative factor: When the contractual payments are overdue for more than 90 days, the financial asset is considered defaulted and credit-impaired.
- ii) Qualitative factor: An evidence indicates that the issuers or borrowers cannot pay the contractual payments, or that they have significant financial difficulties, for example:
 - The issuers or borrowers have entered into bankruptcy or are probable to enter into bankruptcy or financial reorganization.
 - The issuers or borrowers fail to pay interest or principal according to the issue terms and conditions.
 - The collateral of the borrowers had been provisionally seized or enforced.
 - The borrowers claim for a change of credit conditions due to financial difficulties.

iii) The abovementioned definitions of default on a financial asset and a credit-impaired financial asset are applicable to all financial assets held by the Company, and are aligned with those of relevant financial assets for internal credit risk management. The definitions are also applicable to related impairment assessment model.

vi. Measurement of expected credit loss

i) The methodology and assumptions applied

For financial instruments on which the credit risk has not increased significantly since initial recognition, the Company measures loss allowance for financial instruments at an amount equal to 12-month expected credit losses; for financial instruments whose credit risk has increased significantly since initial recognition or those which have been credit-impaired, the Company measures loss allowance for financial instruments at an amount equal to the lifetime expected credit losses.

Expected credit losses in the next 12 months and for the duration of the instrument is calculated separately for the two periods using probability of default (“PD”) of issuers, guarantee agencies or borrowers multiplied by loss given default (“LGD”) and exposure at default (“EAD”), in consideration of time value of money.

PD is the rate that a default occurs on issuers, guarantee agencies or borrowers. LGD is the loss rate that resulted from a default of issuers, guarantee agencies or borrowers. Loss given default used by the Company in impairment assessment is based on information regularly issued by Moody’s. Probability of default is based on information regularly issued by Taiwan Ratings and Moody’s and is determined based upon current observable information and macroeconomic information (for example, gross domestic product and economic growth rate) with adjustments of historical data. Exposure at default is measured at the amortized cost and interest receivables of financial assets.

ii) Forward-looking information considerations

The Company takes forward-looking information into consideration while measuring expected credit losses of financial assets.

vii. Gross carrying amounts of maximum credit risk exposure and categories for credit quality

i) Financial assets of the Company

	September 30, 2025						Gross Carrying Amount	
	Stage 1		Stage 2		Stage 3			
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Assets	Loss Allowance			
Investment grade								
Debt instruments at FVTOCI	\$ 642,396,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 642,396,180	
Financial assets measured at amortized cost	3,899,263,422	-	-	-	-	(1,480,638)	3,897,782,784	
Non-investment grade								
Debt instruments at FVTOCI	5,505,135	1,353,332	3,162,779	-	-	-	10,021,246	
Financial assets measured at amortized cost	13,206,308	1,177,574	18,532,355	-	(1,949,709)	-	30,966,528	

	December 31, 2024					
	Stage 1		Stage 2		Stage 3	
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Assets	Loss Allowance	Gross Carrying Amount
Investment grade						
Debt instruments at FVTOCI	\$ 480,196,856	\$ -	\$ -	\$ -	\$ -	\$ 480,196,856
Financial assets measured at amortized cost	4,255,736,442	-	-	-	(1,526,067)	4,254,210,375
Non-investment grade						
Debt instruments at FVTOCI	5,426,225	1,185,015	3,510,472	-	-	10,121,712
Financial assets measured at amortized cost	7,218,572	8,257	19,971,491	-	(1,999,099)	25,199,221

	September 30, 2024					
	Stage 1		Stage 2		Stage 3	
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Assets	Loss Allowance	Gross Carrying Amount
Investment grade						
Debt instruments at FVTOCI	\$ 467,807,855	\$ -	\$ -	\$ -	\$ -	\$ 467,807,855
Financial assets measured at amortized cost	4,120,825,852	-	-	-	(1,531,819)	4,119,294,033
Non-investment grade						
Debt instruments at FVTOCI	6,158,285	1,235,112	3,560,980	-	-	10,954,377
Financial assets measured at amortized cost	11,325,285	9,357	19,294,764	-	(1,847,948)	28,781,458

Note: Investment grade assets refer to those with credit ratings of at least BBB-; non-investment grade assets are those with credit ratings lower than BBB-.

ii) Secured loans and overdue receivables of the Company

	September 30, 2025						Difference from Impairment Accrued in Accordance with Guidelines for Handling Assessment of Assets	
	Stage 1		Stage 2		Stage 3			
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Assets	Loss Allowance	Gross Carrying Amount		
Secured loans and overdue receivables	\$ 247,226,820	\$ 238,617	\$ 4,130,177	\$ -	\$ (1,491,978)	\$ (3,227,762)	\$ 246,875,874	
December 31, 2024								
	Stage 1		Stage 2		Stage 3		Difference from Impairment Accrued in Accordance with Guidelines for Handling Assessment of Assets	
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Assets	Loss Allowance	Gross Carrying Amount		
Secured loans and overdue receivables	\$ 229,452,719	\$ 268,430	\$ 4,601,114	\$ -	\$ (1,241,893)	\$ (2,821,399)	\$ 230,258,971	
September 30, 2024								
	Stage 1		Stage 2		Stage 3		Difference from Impairment Accrued in Accordance with Guidelines for Handling Assessment of Assets	
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Assets	Loss Allowance	Gross Carrying Amount		
Secured loans and overdue receivables	\$ 221,041,667	\$ 265,279	\$ 4,850,265	\$ -	\$ (1,219,326)	\$ (2,690,073)	\$ 222,247,812	

viii. Reconciliation for loss allowance is summarized below:

i) Debt instruments at FVTOCI of the Company

	Lifetime Expected Credit Losses				Total of Impairment Charged in Accordance with IFRS 9
	12-month Expected Credit Losses	Collectively Assessed	Not Purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
January 1, 2025	\$ 164,757	\$ 224,414	\$ 985,882	\$ -	\$ 1,375,053
Changes due to financial instruments recognized as of January 1					
Transferred to lifetime expected credit losses	(778)	778	-	-	-
Transferred to 12-month expected credit losses	13,699	(13,699)	-	-	-
New financial assets originated or purchased	69,643	-	-	-	69,643
Financial assets that have been derecognized during the period	(41,740)	(25,583)	-	-	(67,323)
Changes in models/risk parameters	10,077	95,332	(44,409)	-	61,000
Foreign exchange and other movements	(12,351)	(17,208)	(54,600)	-	(84,159)
September 30, 2025	<u>\$ 203,307</u>	<u>\$ 264,034</u>	<u>\$ 886,873</u>	<u>\$ -</u>	<u>\$ 1,354,214</u>

	Lifetime Expected Credit Losses				Total of Impairment Charged in Accordance with IFRS 9
	12-month Expected Credit Losses	Collectively Assessed	Not Purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
January 1, 2024	\$ 150,965	\$ 55,541	\$ 924,816	\$ -	\$ 1,131,322
Changes due to financial instruments recognized as of January 1					
Transferred to lifetime expected credit losses	(2,595)	2,595	-	-	-
New financial assets originated or purchased	29,882	-	-	-	29,882
Financial assets that have been derecognized during the period	(23,615)	(4,100)	-	-	(27,715)
Changes in models/risk parameters	6,055	173,785	(46,575)	-	133,265
Foreign exchange and other movements	<u>3,553</u>	<u>2,997</u>	<u>25,544</u>	<u>-</u>	<u>32,094</u>
September 30, 2024	<u>\$ 164,245</u>	<u>\$ 230,818</u>	<u>\$ 903,785</u>	<u>\$ -</u>	<u>\$ 1,298,848</u>

ii) Financial assets measured at amortized cost of the Company

	Lifetime Expected Credit Losses				Total of Impairment Charged in Accordance with IFRS 9
	12-month Expected Credit Losses	Collectively Assessed	Not Purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
January 1, 2025	\$ 1,544,817	\$ 864	\$ 1,979,485	\$ -	\$ 3,525,166
Changes due to financial instruments recognized as of January 1					
Transferred to lifetime expected credit losses	(2,098)	2,098	-	-	-
New financial assets originated or purchased	28,986	-	-	-	28,986
Financial assets that have been derecognized during the period	(484,432)	(939)	-	-	(485,371)
Changes in models/risk parameters	558,686	112,901	(42,611)	-	628,976
Foreign exchange and other movements	<u>(127,943)</u>	<u>144</u>	<u>(139,611)</u>	<u>-</u>	<u>(267,410)</u>
September 30, 2025	<u>\$ 1,518,016</u>	<u>\$ 115,068</u>	<u>\$ 1,797,263</u>	<u>\$ -</u>	<u>\$ 3,430,347</u>
Lifetime Expected Credit Losses					
	12-month Expected Credit Losses	Collectively Assessed	Not Purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total of Impairment Charged in Accordance with IFRS 9
January 1, 2024	\$ 1,453,074	\$ 122,532	\$ 1,807,235	\$ -	\$ 3,382,841
Changes due to financial instruments recognized as of January 1					
Transferred to lifetime expected credit losses	(2,947)	2,947	-	-	-
New financial assets originated or purchased	30,931	-	-	-	30,931
Financial assets that have been derecognized during the period	(35,209)	(282,613)	-	-	(317,822)
Changes in models/risk parameters	79,400	152,107	(46,646)	-	184,861
Foreign exchange and other movements	<u>39,021</u>	<u>6,074</u>	<u>53,861</u>	<u>-</u>	<u>98,956</u>
September 30, 2024	<u>\$ 1,564,270</u>	<u>\$ 1,047</u>	<u>\$ 1,814,450</u>	<u>\$ -</u>	<u>\$ 3,379,767</u>

iii) Secured loans and non-accrual receivables of the Company

	12-month Expected Credit Losses	Lifetime Expected Credit Losses		Total of Impairment Charged in Accordance with IFRS 9	Difference from Impairment Accrued in Accordance with Guidelines for Handling Assessment of Assets	Total
		Collectively Assessed	Not Purchased or Originated Credit-impaired Financial Assets			
January 1, 2025	\$ 51,050	\$ 4,657	\$ 1,186,186	\$ -	\$ 1,241,893	\$ 2,821,399
Changes due to financial instruments recognized as of January 1						\$ 4,063,292
Transferred to lifetime expected credit losses	(8)	8	-	-	-	-
Transferred to credit-impaired financial assets	(46)	(12)	58	-	-	-
Transferred to 12-month expected credit losses	1,736	(36)	(1,700)	-	-	-
New financial assets originated or purchased	3,861	-	9,052	-	12,913	12,913
Financial assets that have been derecognized during the period	(790)	-	-	-	(790)	(790)
Difference from impairment accrued in accordance with Guidelines for Handling Assessment of Assets	-	-	-	-	-	406,363
Changes in models/risk parameters	(17,537)	(1,009)	256,508	-	237,962	237,962
September 30, 2025	<u>\$ 38,266</u>	<u>\$ 3,608</u>	<u>\$ 1,450,104</u>	<u>\$ -</u>	<u>\$ 1,491,978</u>	<u>\$ 3,227,762</u>
						<u>\$ 4,719,740</u>
	12-month Expected Credit Losses	Lifetime Expected Credit Losses		Total of Impairment Charged in Accordance with IFRS 9	Difference from Impairment Accrued in Accordance with Guidelines for Handling Assessment of Assets	Total
		Collectively Assessed	Not Purchased or Originated Credit-impaired Financial Assets			
January 1, 2024	\$ 45,765	\$ 5,416	\$ 1,225,886	\$ -	\$ 1,277,067	\$ 2,773,153
Changes due to financial instruments recognized as of January 1						\$ 4,050,220
Transferred to lifetime expected credit losses	(4)	4	-	-	-	-
Transferred to credit-impaired financial assets	(49)	(2)	51	-	-	-
Transferred to 12-month expected credit losses	1,343	(117)	(1,226)	-	-	-
New financial assets originated or purchased	4,952	-	9,781	-	14,733	14,733
Financial assets that have been derecognized during the period	(399)	-	-	-	(399)	(399)
Difference from impairment accrued in accordance with Guidelines for Handling Assessment of Assets	-	-	-	-	-	(83,080)
Changes in models/risk parameters	(7,439)	(576)	(64,060)	-	(72,075)	(72,075)
September 30, 2024	<u>\$ 44,169</u>	<u>\$ 4,725</u>	<u>\$ 1,170,432</u>	<u>\$ -</u>	<u>\$ 1,219,326</u>	<u>\$ 2,690,073</u>
						<u>\$ 3,909,399</u>

There were no significant changes in loss allowance due to significant changes in the gross carrying amounts of the financial instruments.

ix. Exposure to credit risk and loss allowance of receivables

Measurement of loss allowance of Cathay Life's receivables which are in the scope of the impairment requirements under IFRS 9 are based upon the lifetime expected credit losses under the simplified approach. Loss allowance measured by a provision matrix under simplified approach is as follows:

	Aging of Receivables Recognized					Total
	Not Yet Due/ within 1 Month	1-3 Months	3-6 Months	Over 6 Months		
<u>September 30, 2025</u>						
Gross carrying amount (Note)	\$ 19,598,722	\$ 72,411	\$ 612	\$ -	\$ 19,671,745	
Loss rate	0%	2%	10%	50%		
Lifetime expected credit losses	-	1,448	61	-	1,509	

Note: Notes receivable of \$11,474 thousand and other receivables of \$19,660,271 thousand were included.

	Aging of Receivables Recognized					Total
	Not Yet Due/ within 1 Month	1-3 Months	3-6 Months	Over 6 Months		
<u>December 31, 2024</u>						
Gross carrying amount (Note)	\$ 45,830,964	\$ 62,149	\$ 913	\$ -	\$ 45,894,026	
Loss rate	0%	2%	10%	50%		
Lifetime expected credit losses	-	1,243	91	-	1,334	

Note: Notes receivable of \$88,306 thousand and other receivables of \$45,805,720 thousand were included.

	Aging of Receivables Recognized					Total
	Not Yet Due/ within 1 Month	1-3 Months	3-6 Months	Over 6 Months		
<u>September 30, 2024</u>						
Gross carrying amount (Note)	\$ 55,081,343	\$ 64,913	\$ 621	\$ -	\$ 55,146,877	
Loss rate	0%	2%	10%	50%		
Lifetime expected credit losses	-	1,298	62	-	1,360	

Note: Notes receivable of \$19,896 thousand and other receivables of \$55,126,981 thousand were included.

The loss allowance was reconciled as follows:

	For the Nine Months Ended September 30	
	2025	2024
Beginning balance	\$ 1,334	\$ 1,351
Provision for the period	<u>175</u>	<u>9</u>
Ending balance	<u>\$ 1,509</u>	<u>\$ 1,360</u>

3) Liquidity risk analysis

a) Sources of liquidity risk

Liquidity risks of financial instruments are comprised of funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Company is not capable of performing matured commitment because its fails to realize assets or obtain sufficient funds. Market liquidity risk is the risk of significant changes in fair values when the Company sells or offsets its positions during a market disorder or a lack of sufficient market depth.

b) Liquidity risk management

The Company assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, the Company manages market liquidity risk cautiously by considering market trading volumes and adequacy of holding positions symmetrically.

The Company uses cash flow model and stress testing to assess cash flow risk based on actual management needs or special situations. Also, for abnormal and urgent financing needs, management of the Company makes an emergency operating procedure to deal with significant liquidity risks.

The analysis of cash outflows to the Group is listed below and based on the residual terms to maturity on the balance sheet date. The disclosed amounts are prepared in accordance with contract cash flows and, accordingly for certain line items, the disclosed amounts are different to the amounts on consolidated balance sheets.

The maturity dates for other non-derivative and derivative financial liabilities were based on the agreed repayment dates.

	September 30, 2025				
	Less than 6 Months	Due in 6-12 Months	Due in 1-2 Years	Due in 2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Payables	\$ 28,011,586	\$ 1,568,664	\$ -	\$ -	\$ -
Short-term debt	1,470,097	-	-	-	-
Other financial liabilities	24,071,674	1,571,077	3,743,657	9,946,983	31,146,498
Bonds payable (Note 1)	1,060,887	3,814,500	7,699,878	15,296,255	215,845,693
Lease liabilities (Note 2)	664,948	171,804	906,126	2,160,054	32,025,449
<u>Derivative financial liabilities</u>					
SWAP	17,735,850	9,325,827	5,721,200	-	-
Forward	18,493,288	1,705,400	-	-	-

	December 31, 2024				
	Less than 6 Months	Due in 6-12 Months	Due in 1-2 Years	Due in 2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Payables	\$ 31,983,515	\$ 607,011	\$ -	\$ -	\$ -
Other financial liabilities	1,128,250	23,577,485	1,353,400	3,658,346	5,396,746
Bonds payable (Note 1)	2,058,583	2,940,014	7,866,165	17,508,497	224,008,147
Lease liabilities (Note 2)	330,560	396,475	815,464	2,180,211	32,366,038
<u>Derivative financial liabilities</u>					
SWAP	26,894,181	17,137,730	-	-	-
Forward	36,512,846	8,749,126	506,900	-	836,880
Bond forward contract	956,923	-	-	-	-

	September 30, 2024				
	Less than 6 Months	Due in 6-12 Months	Due in 1-2 Years	Due in 2-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>					
Payables	\$ 21,566,289	\$ 1,574,943	\$ -	\$ -	\$ -
Other financial liabilities	638,392	2,775,216	564,993	3,339,921	1,033,385
Bonds payable (Note 1)	284,581	3,053,269	6,170,810	13,673,950	186,199,859
Lease liabilities (Note 2)	486,355	179,936	828,405	2,203,211	32,659,321
<u>Derivative financial liabilities</u>					
SWAP	5,451,892	330,850	-	-	-
Forward	1,993,703	1,388,500	-	-	-
Bond forward contract	1,655,205	-	-	-	-

Note 1: For the bonds payable without maturity dates, the contractual cash flows were calculated on the basis of 10 years starting from the issuance date. For the bonds payable with maturity dates, the contractual cash flows were calculated on the basis of the issuance interval (10 or 15 years) starting from the issuance date.

Note 2: For lease liabilities, the remaining periods used to calculate the contractual cash flows were from 1 to 67 years.

f. Hedge accounting disclosures

Cash flow hedges

The future cash flows of the bond investments and borrowings held by the Group may fluctuate due to the changes in market interest rates and thus lead to risks. Accordingly, the Group held interest rate derivatives to hedge risks arising from the changes in interest rates. Information of hedge accounting is as follows:

1) Hedging instruments

Hedging Instrument	September 30, 2025					Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	
	Nominal Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line Items in Balance Sheet Where the Hedging Instrument Is Included			
		Assets	Liabilities				
IRS	\$ 805,010	\$ 17,607	\$ -	Financial assets for hedging	\$ 11,192		
IRS	43,125,337	-	524,846	Financial liabilities for hedging	(501,622)		

Hedging Instrument	December 31, 2024					Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	
	Nominal Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line Items in Balance Sheet Where the Hedging Instrument Is Included			
		Assets	Liabilities				
IRS	\$ -	\$ -	\$ -	-	\$ 1,110		
IRS	21,457,711	6,615	-	Financial assets for hedging	6,615		
IRS	2,246,068	-	23,424	Financial liabilities for hedging	(23,424)		
Bond forward contract	1,180,116	-	58,363	Financial liabilities for hedging	(58,363)		

September 30, 2024

Hedging Instrument	Nominal Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line Items in Balance Sheet Where the Hedging Instrument Is Included	Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period
		Assets	Liabilities		
IRS	\$ -	\$ -	\$ -	-	\$ 1,110
Bond forward contract	3,544,912	97,974	-	Financial assets for hedging	97,974
Bond forward contract	2,310,523	-	16,259	Financial liabilities for hedging	(16,259)

2) Maturities of the nominal amount of hedging instruments and average price or rate

	Period Till Maturity				
	1 Month	1-3 Months	3 Months -	1 Year	1-5 Years

September 30, 2025

IRS

Nominal principal	\$ -	\$ 21,066,112	\$ -	\$ -	\$ 22,864,235
Average fixed rate	-	1.75%	-	-	2.23%

	Period Till Maturity				
	1 Month	1-3 Months	3 Months -	1 Year	Over 5 Years

December 31, 2024

IRS

Nominal principal	\$ -	\$ -	\$ 20,689,750	\$ -	\$ 3,014,029
Average fixed rate	-	-	1.75%	-	2.23%
Bond forward contract	-	1,180,116	-	-	-
Nominal principal	-	81.09	-	-	-
Average price (per hundred USD)	-	-	-	-	-

	Period Till Maturity				
	1 Month	1 Month	3 Months -	1 Year	1-5 Years

September 30, 2024

Bond forward contract

Nominal principal	\$ -	\$ 4,715,999	\$ 1,139,436	\$ -	\$ -
Average price (per hundred USD)	-	74.97	81.09	-	-

3) Hedged items

For the Nine Months Ended September 30, 2025							
Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	Balance of Cash Flow Hedge Reserve	Changes in the Value of the Hedging Instrument Generated from the Hedging Relationships Where Hedge Accounting Is No Longer Applicable	Changes in the Value of the Hedging Instrument Recognized in Other Comprehensive Income	Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Profit or Loss That Includes Hedge Ineffectiveness	Amount Reclassified from the Cash Flow Hedge Reserve to Profit or Loss	Line Items Affected in Profit or Loss Because of the Reclassification
Floating-rate bonds	\$ 490,430	\$ (507,240)	N/A	\$ (490,430)	\$ -	\$ -	-
Discontinued hedge	20,662	-	(235,067)	29,287	-	4,901	Finance costs
Expected investment	(49,949)	-	N/A	-	Finance costs	-	-

For the Nine Months Ended September 30, 2024								
Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	Cash Flow Hedge Reserve	Balance of Cash Flow Hedge Reserve Generated from the Hedging Relationships Where Hedge Accounting Is No Longer Applicable	Changes in the Value of the Hedging Instrument Recognized in Other Comprehensive Income	Hedge Ineffectiveness Recognized in Profit or Loss	Line Item in Profit or Loss That Includes Hedge Ineffectiveness	Amount Reclassified from the Cash Flow Hedge Reserve to Profit or Loss	Line Items Affected in Profit or Loss Because of the Reclassification	
Floating-rate bonds	\$ (1,110)	\$ -	N/A	\$ 1,110	\$ -	\$ 2,219	Finance costs	
Discontinued hedge	88,637	-	(80,194)	(81,091)	-	(686)	-	
Expected investment	(128,137)	94,390	N/A	94,390	5,957 (12,674)	Finance costs Finance costs	-	

4) Reconciliation of equity component that applied hedge accounting and related other comprehensive income is summarized below:

For the Nine Months Ended September 30		
	2025	2024
Beginning balance	\$ (225,374)	\$ (4,513)
Gross amount recognized in other comprehensive income		
Changes in the values of the hedging instruments recognized in other comprehensive (loss) income	(459,966)	14,409
Changes in the values of the hedging instruments of non-controlling interests recognized in other comprehensive loss	(1,177)	-
Amount reclassified from cash flow hedge reserve to profit or loss	4,901	(2,905)
Exchange rate changes	13,003	(2,198)
Tax effect	88,647	(1,861)
Disposal of subsidiary	-	6,118
Ending balance	<u>\$ (579,966)</u>	<u>\$ 9,050</u>

Fair value hedges

The book value of the foreign currency denominated assets held by the Company may fluctuate due to the changes in market exchange rates and thus lead to risk. Accordingly, the Company held derivative instruments related to exchange rates to hedge risks arising from changes in exchange rates. Information of hedge accounting is as follows:

1) Hedging instruments

September 30, 2025						Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period
Hedging Instrument	Nominal Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line Items in Balance Sheet Where the Hedging Instrument Is Included	Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	
		Assets	Liabilities			
Forward	\$ 44,433,720	\$ 2,777,937	\$ -	Financial assets for hedging	\$ 4,962,949	

December 31, 2024							Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period
Hedging Instrument	Nominal Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line Items in Balance Sheet Where the Hedging Instrument Is Included		Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	
		Assets	Liabilities				
Forward	\$ 26,383,540	\$ -	\$ 2,509,788	Financial liabilities for hedging		\$ (1,474,279)	
September 30, 2024							
Hedging Instrument	Nominal Amount of the Hedging Instrument	Carrying Amount of the Hedging Instrument		Line Items in Balance Sheet Where the Hedging Instrument Is Included		Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	
		Assets	Liabilities				
Forward	\$ 13,959,300	\$ -	\$ 1,316,149	Financial liabilities for hedging		\$ (871,899)	

2) Maturities of the nominal amount of hedging instruments and average price or rate

	Period Till Maturity					Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Current Period	
	1 Month		3 Months -		Over 5 Years		
	1 Month	1-3 Months	1 Year	1-5 Years			
September 30, 2025							
Forward							
Nominal principal	\$ -	\$ -	\$ -	\$ 37,450,200	\$ 6,983,520		
Exchange rate (USD/TWD)					31.2085	26.7845	
December 31, 2024							
Forward							
Nominal principal	\$ -	\$ 2,687,400	\$ 11,271,900	\$ 9,327,400	\$ 3,096,840		
Exchange rate (USD/TWD)		26.8740	28.1654	31.0913	25.8070		
September 30, 2024							
Forward							
Nominal principal	\$ -	\$ -	\$ 13,959,300	\$ -	\$ -		
Exchange rate (USD/TWD)			27.9502				

3) Hedged items

For the Nine Months Ended September 30, 2025												
	Book Value of Hedged Items				Financial assets measured at amortized cost	Line Item in Statement of Financial Position that Includes Hedged Items	Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Period		Line Item in Profit or Loss That Includes Hedge Ineffectiveness			
	Cumulative Adjustment for Changes in Fair Value of Hedged Items Included in Book Value of Hedged Items		Line Item in Statement of Financial Position that Includes Hedged Items				Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Period					
	Assets	Liabilities	Assets	Liabilities			Assets	Liabilities				
Overseas bonds	\$ 44,433,720	\$ -	\$ (4,962,949)	\$ -			\$ (4,962,949)	\$ -	\$ -			

For the Nine Months Ended September 30, 2024												
	Book Value of Hedged Items				Financial assets measured at amortized cost	Line Item in Statement of Financial Position that Includes Hedged Items	Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Period		Line Item in Profit or Loss That Includes Hedge Ineffectiveness			
	Cumulative Adjustment for Changes in Fair Value of Hedged Items Included in Book Value of Hedged Items		Line Item in Statement of Financial Position that Includes Hedged Items				Changes in Fair Value Used for Calculating Hedge Ineffectiveness for the Period					
	Assets	Liabilities	Assets	Liabilities			Assets	Liabilities				
Overseas bonds	\$ 13,959,300	\$ -	\$ 871,899	\$ -			\$ 871,899	\$ -	\$ -			

4) Reconciliation of equity component that applied hedge accounting and related other comprehensive income were summarized below:

For the Nine Months Ended September 30		
	2025	2024
<u>Foreign currency basis - related period</u>		
Beginning balance	\$ (128,933)	\$ 515,012
Gross amount recognized in other comprehensive income		
Changes in the values of the hedging instruments		
recognized in other comprehensive loss	(681,794)	(543,849)
Amount reclassified to profit or loss	1,001,411	250,520
Tax effects	<u>(63,923)</u>	<u>58,666</u>
Ending balance	<u>\$ 126,761</u>	<u>\$ 280,349</u>

g. Offsetting of financial assets and financial liabilities

The Group engages in derivative financial instruments that do not meet the offsetting criteria of standards, but enters into master netting arrangements or other similar agreements with counterparties. Financial instruments subject to master netting arrangements or other similar agreements could be settled at net amount as agreed by both parties of the transaction, or the financial instrument should be settled at gross amount otherwise. However, if one of both parties of the transaction defaults, the other party could choose to settle the transaction at net amount.

Information related to offsetting of financial assets and financial liabilities is disclosed as follows:

September 30, 2025

Financial Assets Bound by Offsetting or Master Netting Arrangements or Similar Agreement							
Item	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)			Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Received		
Derivative financial instruments	\$ 28,249,510	\$ -	\$ 28,249,510	\$ 19,383,588	\$ 3,594,888	\$ 5,271,034	

Financial Liabilities Bound by Offsetting or Master Netting Arrangements or Similar Agreement

Item	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset		Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
		Financial Assets Recognized on Balance Sheet (b)	Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)		Financial Instruments	Cash Collateral Paid	
Derivative financial instruments	\$ 38,610,818	\$ -	\$ 38,610,818	\$ 19,383,588	\$ 9,875,052	\$ 9,352,178	

December 31, 2024

Financial Assets Bound by Offsetting or Master Netting Arrangements or Similar Agreement

Item	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset		Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
		Financial Liabilities Recognized on Balance Sheet (b)	Financial Assets Recognized on Balance Sheet (c)=(a)-(b)		Financial Instruments	Cash Collateral Received	
Derivative financial instruments	\$ 5,328,041	\$ -	\$ 5,328,041	\$ 5,312,990	\$ 15,407	\$ (356)	

Financial Liabilities Bound by Offsetting or Master Netting Arrangements or Similar Agreement

Item	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset		Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
		Financial Assets Recognized on Balance Sheet (b)	Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)		Financial Instruments	Cash Collateral Paid	
Derivative financial instruments	\$ 73,109,254	\$ -	\$ 73,109,254	\$ 5,312,990	\$ 28,041,457	\$ 39,754,807	

September 30, 2024

Financial Assets Bound by Offsetting or Master Netting Arrangements or Similar Agreement

Item	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset		Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
		Financial Liabilities Recognized on Balance Sheet (b)	Financial Assets Recognized on Balance Sheet (c)=(a)-(b)		Financial Instruments	Cash Collateral Received	
Derivative financial instruments	\$ 47,925,956	\$ -	\$ 47,925,956	\$ 7,856,889	\$ 14,423,778	\$ 25,645,289	

Financial Liabilities Bound by Offsetting or Master Netting Arrangements or Similar Agreement

Item	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset		Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
		Financial Assets Recognized on Balance Sheet (b)	Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)		Financial Instruments	Cash Collateral Paid	
Derivative financial instruments	\$ 7,856,889	\$ -	\$ 7,856,889	\$ 7,856,889	\$ -	\$ -	

h. Other financial liabilities

Item	September 30, 2025	December 31, 2024	September 30, 2024
<u>Secured borrowings</u>			
Bank loans	\$ 58,953,139	\$ 30,238,674	\$ 7,683,852
<u>Unsecured borrowings</u>			
Bank loans	<u>105,000</u>	<u>86,870</u>	<u>85,766</u>
	<u>\$ 59,058,139</u>	<u>\$ 30,325,544</u>	<u>\$ 7,769,618</u>
Borrowing rate	2.05%-3.91%	2.02%-4.54%	2.02%-2.90%

The amount of capitalized borrowing costs was \$19,757 thousand as of September 30, 2025, and the rate for the amount of borrowing costs that meet the capitalized conditions was determined to be 2.20% to 3.03%.

The secured borrowings of Cathay Wind Power, Cathay Power and its subsidiaries were secured by NTD demand deposits, other equipment and investments accounted for using the equity method. Refer to Note 39.

Cathay Wind Power entered into a bank loan with First Commercial Bank, CTBC bank, HSBC bank, DBS bank and other financial institutions. According to the loan agreement, when Cathay Wind Power makes new drawdowns, the debt ratio should not exceed 300% and debt service coverage ratios should be higher than 1.25 times after starting operation.

42. RISK MANAGEMENT AND INSURANCE RISK INFORMATION

a. Risk management objectives, policies, procedures and methods

1) Objectives of risk management

The Company's risk management policy aims to promote operational efficiency, ensure asset safety, increase shareholders' value, and comply with applicable domestic and overseas laws and regulations for the purpose of steady growth and sustainable management.

2) Framework, organizational structure and responsibilities of risk management

a) The board of directors

- i. The board of directors should establish appropriate risk management framework and culture, ratify appropriate risk management policy and review it regularly, and allocate resources in the most effective manner.
- ii. The board of directors and senior management should consistently promote, execute risk management and keep the consistency of the operational objectives of the Company as well as operational strategies and operations management.
- iii. The board of directors should review risk appetite on a yearly basis and make adjustments as deemed appropriate.

- iv. The board of directors should be aware of the risks arising from operations, ensure the effectiveness of risk management and bear the ultimate responsibility for overall risk management.
- v. The board of directors should delegate authority to risk management department to deal with violation to risk limits by other departments.

b) Risk management committee

- i. The committee should propose the risk management policies, framework and organizational functions and establish quantitative and qualitative risk management standards. The committee is also responsible for reporting the results of implementing risk management to the board of directors regularly and making necessary suggestions for improvement.
- ii. The committee should execute the risk management policies set by the board of directors and review the development, build-up and performance of overall risk management mechanisms regularly.
- iii. The committee should assist and monitor the risk management activities.
- iv. The committee should assist in the review of the risk limit development process.
- v. The committee should arrange the risk category, risk limit allocation and risk taking according to the changes in environment.
- vi. The committee should enhance cross-department interaction and communication.

c) Chief risk officer

- i. The chief risk officer should maintain independence. Besides a position directly related to risk management and without conflict of interest, the chief risk officer should not hold a position in any profit center of the Company.
- ii. The chief risk officer should be able to access any business information which may have an impact on risk overview of the Company.
- iii. The chief risk officer should be in charge of overall risk management of the Company.
- iv. The chief risk officer should participate in the Company's important decision-making process and, as appropriate, provide opinions from a risk management perspective.

d) Risk management department

- i. The department is responsible for operational affairs such as monitoring, measuring and evaluating daily risks, which should be performed independently to business units.
- ii. The department should perform the following functions with regard to different business activities:
 - i) Propose and execute the risk management policies set by the board of directors.
 - ii) Propose the risk limits based on risk appetite.
 - iii) Summarize the risk information provided by each department, negotiate and communicate with each department to facilitate the execution of the policies and the risk limits.

- iv) Regularly present risk management reports.
- v) Regularly review the risk limits and usage status of each business unit and deal with the violation of the business units authorized by the board of directors.
- vi) Assist to execute stress testing.
- vii) Execute back testing if necessary.
- viii) Other risk management related issues.

e) Business units

- i. Each business unit should assign a risk management coordinator to assist in execution of the risk management of each business unit.
- ii. The duties of the risk management include the following:
 - i) Identify and measure risks and report risk exposures and potential impacts on time.
 - ii) Regularly review the risks and their limits and, in case of any excess of risk limits, report the excess of risk limits along with the corresponding actions.
 - iii) Assist to develop the risk model and ensure that risk measurement, application of the model and the parameter settings are reasonable and consistent.
 - iv) Ensure that internal control procedures are executed effectively to comply with applicable rules and the risk management policies.
 - v) Assist to collect data related to operational risk.
 - vi) Manager of a business unit is responsible for daily risk management and risk reporting of the unit, if necessary, and takes necessary actions to mitigate such risks.
 - vii) Manager of a business unit should supervise the unit to submit risk management information regularly to the risk management department.

f) Audit department

The department is responsible for the audit of each department's implementation status of risk management pursuant to the applicable laws and regulations and related rules and guidance of the Company.

g) Subsidiary

Each subsidiary's risk management department or related unit should develop risk management policies based on the nature of its business and needs and report to the Company's risk management committee for future reference.

3) Range and nature of risk assessment or risk reporting

The Company's risk management procedures include risk identification, risk measurement, risk control and risk reporting. The Company sets its management standards for market risk, credit risk, country risk, liquidity risk, operational risk, insurance risk, asset and liability matching risk, capital adequacy, information security, personal data, emerging risk, ESG risk, and reputation risk. The Company also develops methods of assessment and evaluation, monitors its risks and regularly provides the risk management reports.

a) Market risk

Market risk is the risk of losses in value of the Company's financial assets arising from the changes in market prices of financial instruments. The Company adopts measurement indicators for market risk based on VaR and reviews regularly. In addition, the Company performs back testing to ensure the accuracy of the market risk model regularly. Furthermore, the Company applies scenario analysis or stress testing to evaluate the possible impacts on asset portfolio due to significant domestic and/or international events regularly. In response to the implementation of foreign exchange valuation reserve, the Company determines the ceiling of foreign exchange risk, implements warning system and monitors foreign exchange risk regularly.

b) Credit risk

Credit risk is the risk of losses on the Company's rights due to that the counterparty or debtor does not perform the contractual obligation. The Company applies credit rating, credit concentration and VaR of credit as measurement indicators which are reviewed regularly. Furthermore, the Company applies scenario analysis and stress testing to evaluate the possible impacts on asset portfolio due to significant domestic and/or international events regularly.

c) Country risk

Country risk is the risk that the Company suffers losses from loans, financial investments and long-term investments in a specific country as a result of market price fluctuation or default of security issuers or debtors stemming from variations in economic conditions, domestic operations, and/or geopolitical developments. The Company adopts measurement indicators for country risk, which are calculated by total investments in a certain country or specific area divided by total foreign investments or adjusted net assets. The Company reviews and adjusts the indicator on a regular basis.

d) Liquidity risk

Liquidity risk is comprised of funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that the Company is not capable of performing matured commitment because it fails to realize assets or obtain sufficient funds. The Company has established measurement indicators of funding liquidity risk and reviews the indicators regularly. In addition, a funding reporting system has been established under which the risk management department manages funding liquidity based on the information provided by relevant business units. Furthermore, the cash flow analysis model has been applied and monitored regularly, and improvements should be made once unusual events occur. The cash flow analysis model is also applied to set the annual assets allocation plan to maintain appropriate liquidity of assets. Market liquidity risk is the risk of significant changes in fair values when the Company sells or offsets its positions during a market disorder or a lack of sufficient market depth. The Company has established a liquidity threshold for investment positions. Each investment department evaluates the market trading volumes and adequacy of positions held according to the features and objectives of its investment positions.

e) Operational risk

Operational risk is the risk caused by improper conduct or errors of internal process, personnel, system or external issues that lead to losses. Operational risk includes legal risk but excludes strategic risk and reputation risk. The Company has set the standard operating procedures based on the nature of the business and established reporting system for loss events of operation risk as well as to collect and manage information with respect to losses resulting from operational risk. To maintain the Company's operation and ability to provide customer services while minimizing the losses under a major crisis, the Company has established business continuity management system, emergency handling mechanism and information system damage responses.

f) Insurance risk

The Company assumes certain risks which is transferred from policyholders after the collection of premiums from policyholders, and the Company may bear losses due to unexpected changes when paying claims and related expenses. This risk is involved with policy design and pricing risk, underwriting risk, reinsurance risk, catastrophe risk, claim risk and reserve-related risk.

g) Asset and liability matching risk

This risk resulted from the differences between the changes in values of assets and those of liabilities. The Company measures the risk with capital costs, duration, cash flow management and scenario analysis.

h) Capital adequacy

The Company regards RBC ratio and net worth ratio as management indicators for capital adequacy. The RBC ratio is the total capital of the Company divided by its risk-based capital, as regulated under the Insurance Act and the Regulations Governing Capital Adequacy of Insurance Companies. The net worth ratio is the Company's equity audited (or reviewed) by the auditors divided by the total assets excluding the total assets recorded in separate accounts for investment type insurance policies.

i) Risk of information security

The risk of information security refers to the damage resulted from confidentiality, completeness and availability of information asset, or damage caused by stealing, tampering, damaging, losing or leaking information asset. The Company has a security management policy to reduce the impact of information security incidents and report to the Board regularly on the overall implementation of information security and the trend of information security risks.

j) Risk of personal data

The risk of personal data refers to the damage caused by stealing, tampering, damaging, losing or leaking personal data. The Company has a personal data management policy to reduce the impact of personal data damages.

k) Emerging risks

Emerging risks refer to risks that are not currently revealed but may arise as a result of the changes of the environment, usually due to changes in politics, regulations, markets or the natural environment. The Company conducts emerging risk management operations by reference to authority organizations, benchmarking enterprise reports, regularly identifying and measuring emerging risks as well as assessing risk response and control mechanism, and reports the status of emerging risk to senior management every year, which is incorporated into the risk management business implementation report and delivered to the Risk Management Committee for deliberation.

l) ESG risks

ESG risks include environmental (issues such as climate and nature), social and corporate governance risks. Climate and nature-related risk is part of the environmental risks of ESG risks and refers to the potential negative impact of climate and natural environmental changes, including transition risk (a wide range of risks resulting from the trend of a low-carbon economy or increased focus on nature sustainability, including policy, legal, technology and market change risks) and physical risk (the risk of financial losses due to imminent extreme weather events, long-term climate pattern change or degradation of natural systems). To address ESG risks, the Company has developed related risk indicators, conducts risk monitoring, climate scenario analysis or stress testing, and prepares corresponding risk management reports on a regular basis.

m) Reputation risks

Reputation risks refer to risks caused by misconduct or negative reports from the media, leading to the damage to brands and shareholders' equity and potentially having adverse effects on the Company's reputation. The Company has reputation risk management policies, assesses the risk, takes relevant measures, and implements procedures such as stakeholder communication as a response.

4) The process of assuming, measuring, monitoring and controlling risks and the underwriting policies to determine the proper risk classification and premium levels

a) The process of assuming, measuring, monitoring and controlling insurance risks

- i. Stipulate the Company's insurance risk management standards including the definitions and range of risks, management structure, risk management indicators and other risk management measures.
- ii. Establish methods to evaluate insurance risks.
- iii. Regularly provide the insurance risk management report as a reference for monitoring insurance risk and for developing insurance risk management strategies.
- iv. Regularly summarize the results of implementing risk management policies and report to the risk management committee and risk management division of Cathay Financial Holdings. When an exceptional insurance risk event occurs, the related departments should propose corresponding solutions to the risk management committee of the Company.

b) The underwriting policies to determine proper risk classification and premium levels

- i. Underwriters should comply with the rules of financial underwriting. For underwriting a new policy of an existing policyholders, the underwriter should consider previous information as well as the exceptional cases from the insurance notification database and total insured amounts in insurance enterprises, to check if the number of policies, the insured amounts and the premiums are reasonable and affordable according to the policyholder's financial resources and socioeconomic status and to determine if the policyholder is capable of paying renewal premiums.
- ii. The Company has set up an underwriting team to deal with controversial cases with regard to new contracts and to interpret relevant underwriting standards.
- iii. The Company has set up insurance contract approval procedures for high-value policies to enhance risk management over high-value policies and avoid adverse selection and moral hazard.

5) The scope of insurance risk assessment and management from a company-wide perspective

a) Insurance risk assessment covers the following risks:

- i. Product design and pricing risk: The risk arises from improper design of products, inconsistent terms and conditions and pricing or unexpected changes.
- ii. Underwriting risk: Unexpected losses arise from solicitation activities, underwriting and approval activities, other expenditure activities, etc.
- iii. Reinsurance risk: This risk occurs when a company fails to reinsurance the excess risk over the limits or a reinsurer fails to fulfill its obligations such that premiums, claims or expenses cannot be reimbursed.
- iv. Catastrophe risk: This risk arises from accidents which lead to considerable losses in one or more categories of insurance and the aggregate amount of such losses is huge enough to affect the Company's credit rating or solvency.
- v. Claim risk: This risk arises from mishandling claims.
- vi. Reserve-related risk: This risk occurs when the Company does not have sufficient reserves to fulfill its obligations owing to underestimation of its liabilities.

b) The scope of management of insurance risk

- i. Develop a risk control framework of the Company's insurance risk to empower related development to execute risk management.
- ii. Establish the Company's insurance risk management standards including the definitions and types of risks, management structure, risk management indicators and other risk management measures.
- iii. Develop related response in consideration of the Company's growth strategy and changes in the domestic and global economic and financial environments.
- iv. Determine methods to measure insurance risks.
- v. Regularly provide the insurance risk management report as a reference for monitoring insurance risk and a developing insurance risk management strategy.

vi. Other insurance risk management issues.

6) The method to limit or transfer insurance risk exposure and to avoid inappropriate concentration risk

The Company limits or transfers insurance risk exposure and avoids inappropriate concentration risk mainly through the reinsurance management plan which is developed considering the Company's risk taking ability, risk profiling and legal issues factors to determine whether to retain or cede a policy. In order to maintain safety of risk transfer and to control the risk of reinsurance transactions, the Company has established reinsurer selection standards.

7) Asset/liability management

- a) The Company established an asset/liability management committee to improve the asset/liability management structure, ensure the application of the asset/liability management policy and review the performance from strategy and practice aspect on a regular basis to reduce all types of risks the Company faces.
- b) Authorized departments review the measurement of asset/liability matching risk and report to the asset/liability management committee regularly and results are also reported to the risk management committee of the Company. Furthermore, the annual report is delivered to the risk management division of Cathay Financial Holdings.
- c) When an exceptional situation occurs, the related departments should propose reactions to the asset/liability management committee, the risk management committee of the Company and the risk management division of Cathay Financial Holdings.

8) The procedures to manage, monitor and control a special event for which the Company is committed to assuming additional liabilities or funding addition capital

Pursuant to the applicable laws and regulations, the Company's RBC ratio and net worth ratio should be higher than a certain number. In order to enhance the Company's capital management and to maintain a proper RBC ratio and net worth ratio, the Company has established a set of capital adequacy management standards as follows:

- a) Capital adequacy management
 - i. Regularly provide capital adequacy management reports and analysis to the finance department of Cathay Financial Holdings.
 - ii. Regularly provide the analysis report to the risk management committee.
 - iii. Conduct simulation analysis to figure out the use of funding, the changes of the financial environment or the amendments to applicable laws and regulations affecting RBC ratio and net worth ratio.
 - iv. Regularly review RBC ratio, net worth ratio and related control standards to ensure a solid capital adequacy management.
- b) Exception management process

When RBC ratio or net worth ratio exceeds the internal risk control criteria or other exceptions occur, the Company is required to notify the risk management department and the finance department and the risk management division of Cathay Financial Holdings, and submits the capital adequacy or the net worth ratio analysis report and actions.

9) Policies for hedge or mitigation of risk and monitoring procedures on continuous effectiveness of hedging instruments

- a) The Company enters into derivative transactions to reduce market risk and credit risk of its asset positions, including stock index options, index futures, individual stock futures, interest rate futures, IRS, forwards, CCS and credit default swaps for hedging the equity risk, interest rate risk, cash flow risk, foreign exchange risk and credit risk from the Company's investments. In addition, bond forward contracts are used as hedging instruments for expected investments to manage the risk of future bond purchase prices being affected by interest rate fluctuations and are accounted for in accordance with hedge accounting. The effective portion of the hedge is measured at FVTOCI, while the ineffective portion is measured at FVTPL.
- b) Hedging instruments against risks and implementation are developed preliminarily in consideration of the risk-taking abilities. The Company executes hedge and exercises authorized financial instruments to adjust the overall risk level to the tolerance levels based on the market dynamics, business strategies, the characteristics of products and risk management policies.
- c) The Company assesses and reviews the effectiveness of the hedge instruments and hedged items regularly. The assessment report is issued and forwarded to the board of directors or to the management which is delegated by the board of directors; meanwhile, a copy of the assessment report is delivered to the audit department for future reference.

10) The policies and procedures against the concentration of credit and investment risks

Considering the credit risk factors, the Company has set up the measurement indicators for credit and investment positions by countries, industries and business groups. When the limits of credit and investments are reached or breached as a result of any increase of the credit line or investment, the Company shall not grant loans or make investment in general. However, if the Company has to undertake the business under certain circumstances, the Company shall follow the internal regulations, including but not limited to "Guidelines for sovereign risk management", "Guidelines for securities investment risk limit" and "Guidelines for credit and investment risk management on conglomerate and other juristic person institute".

b. Information of insurance risk

1) Sensitivity of insurance risk - insurance contracts and financial instruments with discretionary participation features

- a) The Company

For the Nine Months Ended September 30, 2025					
	Scenarios	Changes in Profit Before Tax		Changes in Equity	
Life table/morbidity	×1.05 (×0.95)	Decrease (increase)	\$ 2,908,069	Decrease (increase)	\$ 2,326,455
Expense	×1.05 (×0.95)	Decrease (increase)	2,801,189	Decrease (increase)	2,240,952
Surrender rate	×1.05 (×0.95)	Increase (decrease)	615,525	Increase (decrease)	492,420
Rate of return	+0.1%	Increase	5,763,318	Increase	4,610,655
Rate of return	-0.1%	Decrease	5,767,598	Decrease	4,614,078

For the Nine Months Ended September 30, 2024					
	Scenarios	Changes in Profit Before Tax		Changes in Equity	
Life table/morbidity	×1.05 (×0.95)	Decrease (increase)	\$ 2,797,132	Decrease (increase)	\$ 2,237,706
Expense	×1.05 (×0.95)	Decrease (increase)	2,525,582	Decrease (increase)	2,020,466
Surrender rate	×1.05 (×0.95)	Increase (decrease)	409,738	Increase (decrease)	327,791
Rate of return	+0.1%	Increase	5,587,843	Increase	4,470,274
Rate of return	-0.1%	Decrease	5,591,969	Decrease	4,473,575

b) Cathay Lujiazui Life

For the Nine Months Ended September 30, 2025					
	Scenarios	Changes in Profit Before Tax		Changes in Equity	
Life table/morbidity	×1.10 (×0.90)	Decrease (increase)	\$ 125,658	Decrease (increase)	\$ 94,244
Expense	×1.05 (×0.95)	Decrease (increase)	94,690	Decrease (increase)	71,017
Surrender rate	×1.10 (×0.90)	Increase (decrease)	40,152	Increase (decrease)	30,114
Rate of return	+0.25%	Increase	(1,469,158)	Increase	(1,101,868)
Rate of return	-0.25%	Decrease	2,301,998	Decrease	1,726,499

For the Nine Months Ended September 30, 2024					
	Scenarios	Changes in Profit Before Tax		Changes in Equity	
Life table/morbidity	×1.10 (×0.90)	Decrease (increase)	\$ 127,039	Decrease (increase)	\$ 95,279
Expense	×1.05 (×0.95)	Decrease (increase)	90,806	Decrease (increase)	68,105
Surrender rate	×1.10 (×0.90)	Increase (decrease)	45,029	Increase (decrease)	33,772
Rate of return	+0.25%	Increase	314,937	Increase	236,203
Rate of return	-0.25%	Decrease	315,710	Decrease	236,782

c) Cathay Life (Vietnam)

For the Nine Months Ended September 30, 2025					
	Scenarios	Changes in Profit Before Tax		Changes in Equity	
Life table/morbidity	×1.05 (×0.95)	Decrease (increase)	\$ 8,757	Decrease (increase)	\$ 7,005
Expense	×1.05 (×0.95)	Decrease (increase)	48,844	Decrease (increase)	39,075
Surrender rate	×1.05 (×0.95)	Increase (decrease)	20,368	Increase (decrease)	16,294
Rate of return	+0.1%	Increase	30,222	Increase	24,177
Rate of return	-0.1%	Decrease	30,244	Decrease	24,195

For the Nine Months Ended September 30, 2024					
	Scenarios	Changes in Profit Before Tax		Changes in Equity	
Life table/morbidity	×1.05 (×0.95)	Decrease (increase)	\$ 7,250	Decrease (increase)	\$ 5,800
Expense	×1.05 (×0.95)	Decrease (increase)	59,197	Decrease (increase)	47,357
Surrender rate	×1.05 (×0.95)	Increase (decrease)	23,741	Increase (decrease)	18,993
Rate of return	+0.1%	Increase	29,311	Increase	23,448
Rate of return	-0.1%	Decrease	29,332	Decrease	23,466

- i. Changes in profit before tax listed above referred to the effects of profit before tax for the nine months ended September 30, 2025 and 2024. The changes in equity of the Company, Cathay Lujiazui Life and Cathay Life (Vietnam) were assumed that the income tax was calculated at rates of 20%, 25% and 20% of pre-tax income, respectively.
- ii. As an increase (decrease) of 0.1% in discount rates is applied to liability adequacy test, the result of the test is still adequate for the Company and there is no impact on profit before tax and equity. However, if the discount rate keeps declining significantly, profit before tax and equity may be affected.
- iii. Sensitivity test
 - i) Mortality/morbidity sensitivity test is executed by multiplying the mortality rate and the morbidity rate of injury insurance by changes in scenarios, resulting in the corresponding changes in profit before tax.
 - ii) Expense sensitivity test is executed by multiplying all expense items listed in statements of comprehensive income (Note 1) by changes in scenarios, resulting in the corresponding changes in profit before tax.
 - iii) Surrender rate sensitivity test is executed by multiplying surrender rate by changes in scenarios, resulting in the corresponding changes in profit before tax.
 - iv) Rate of return sensitivity test is executed by adjusting the rate of return (Note 2) to increase (decrease) by changes in scenarios, resulting in the corresponding changes in profit before tax.

Note 1: Expense items includes underwriting expenses, commission expenses, other operating costs as well as general expenses, administration expenses, employee training expenses of operating expenses, and expected credit impairment losses and gains on reversal from non-investments.

Note 2: Rate of return is calculated as follows (to be annualized):

$2 \times (\text{Net incomes or losses on investment} - \text{Finance costs}) \div (\text{The beginning balance of available funds} + \text{The ending balance of available funds} - \text{Net incomes or losses on investment} + \text{Finance costs})$.

2) Concentration of insurance risks

The Company's insurance business is mainly from the ROC, and all the insurance policies have similar risk exposure; for example, the risk exposure to the unexpected changes in trend (mortality, morbidity, and surrender rate) or the risk exposure to multiple insurance contracts caused by a single incident (for example, simultaneous risk exposure to life insurance, health insurance, and casualty insurance caused by an earthquake). The Company reduces risk exposure not only by monitoring risks consistently, but also by arranging reinsurance contracts.

In principle, the Company performs an evaluation on the retained risks by considering the risk characteristics and its risk bearing capacity, which is submitted for approval by authority, and engages in reinsurance business for the excess of risks over the retained. At the same time, the Company considers unexpected human and natural disasters in each year to estimate the reasonable maximum amount of losses based on the retained risks and determines according to the risk characteristics and its bearing capacity whether to adjust the reinsured amount or purchase catastrophe reinsurance. Therefore, the insurance risks to some extent are diversified to reduce the potential impact on unexpected losses.

Furthermore, according to Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises, special reserve for catastrophic events should be provided for huge claims and payments due to future catastrophic events, and special reserve for fluctuation of risk should be provided for abnormal changes in loss ratio and claims of each insurance type. The annual increase of special reserve for catastrophic events and fluctuation of risks should be recorded in special reserve of equity, net of tax in accordance with IAS 12.

3) Claim development trend

a) The Company

i. Direct business development trend

Accident Year	Development Year							Claims Not Yet Filed	Reserve for Claims Not Yet Filed
	1	2	3	4	5	6	7		
2018Q4-2019Q3	20,942,916	25,825,875	26,287,766	26,412,875	26,497,651	26,531,600	26,568,496	-	-
2019Q4-2020Q3	21,412,870	26,322,532	26,851,490	26,977,995	27,053,264	27,132,115	27,172,001	39,886	39,965
2020Q4-2021Q3	20,006,234	24,836,402	25,353,181	25,470,651	25,578,429	25,628,548	25,661,437	83,008	83,174
2021Q4-2022Q3	21,104,749	26,535,112	27,028,312	27,130,357	27,218,956	27,269,582	27,300,830	170,473	170,814
2022Q4-2023Q3	23,834,451	29,464,726	30,018,022	30,145,650	30,241,978	30,296,499	30,329,285	311,263	311,885
2023Q4-2024Q3	25,307,151	31,308,514	31,893,525	32,028,139	32,129,672	32,186,071	32,218,846	910,332	912,153
2024Q-2025Q3	26,912,596	33,303,687	33,930,249	34,073,580	34,181,913	34,241,555	34,275,795	7,363,199	7,377,926
Expected future payments									
Add: Inwards reinsurance assumed reserve for claims not yet filed									
Reserve for claims not yet filed									
Add: Claims filed but not yet paid									
Loss reserve balance									
\$ 8,895,917									
11,863									
\$ 8,907,780									
5,875,081									
\$ 14,782,861									

ii. Retained business development trend

Accident Year	Development Year							Claims Not Yet Filed	Reserve for Claims Not Yet Filed
	1	2	3	4	5	6	7		
2018Q4-2019Q3	20,989,039	25,880,050	26,343,295	26,468,868	26,553,894	26,588,037	26,624,997	-	-
2019Q4-2020Q3	21,443,602	26,364,071	26,895,783	27,022,610	27,098,273	27,177,217	27,217,156	39,939	40,019
2020Q4-2021Q3	20,051,007	24,895,495	25,413,963	25,531,948	25,640,037	25,690,335	25,723,298	83,261	83,428
2021Q4-2022Q3	21,197,795	26,643,509	27,139,249	27,241,531	27,330,775	27,381,714	27,413,091	171,560	171,903
2022Q4-2023Q3	23,871,462	29,526,548	30,081,341	30,209,329	30,306,035	30,360,739	30,393,601	312,260	312,885
2023Q4-2024Q3	25,352,607	31,370,584	31,957,503	32,092,480	32,194,395	32,250,980	32,283,832	913,248	915,074
2024Q4-2025Q3	26,930,073	33,326,620	33,953,886	34,097,352	34,205,826	34,265,536	34,299,805	7,369,732	7,384,471
								\$ 8,907,780	
								Add: Claims filed but not yet paid	5,853,480
								Loss reserve balance less ceded loss reserve	\$ 14,761,260

Note: Retained business equals direct business plus assumed reinsurance less ceded reinsurance business.

In accordance with Jin Guan Bao Shou No. 10402133590 issued on December 22, 2015 by the FSC, reserve for claims not yet filed is provided as claims filed and adjusted for related expenses; reserve for claims filed but not yet paid is provided on a case-by-case basis. The loss reserve is the sum of the above reserve, and due to uncertainty, estimation, and judgment, there is a high degree of complexity in the provision of loss reserve. Any changes in the estimation or judgment are treated as changes in accounting estimates and the impacts of the changes are recognized as profit or loss as incurred. Notification to the Company may be delayed in certain cases, and estimates of the payments for cases not yet filed involved a large volume of past experiences and subjective judgment; therefore, it is unable to confirm that the loss reserve on the balance sheet date will be equal to the final settlements of claims and payments. The loss reserve is estimated based upon the currently available information; however, the final results may deviate from the original estimates because of the subsequent conditions of the cases.

The above table shows the development trend of claim payments. The accident year is the year when the insurance events occurred; the x-axis is the year of the development for the cases; the amounts above the diagonal line represent the cases in the specific accident year and the corresponding accumulated claims and payments and claims filed but not yet paid at the end of the year for the cases in a specific accident year; the amounts below the diagonal line represent the estimates of corresponding accumulated developments for the cases in the specific accident year. The circumstances and trends affecting the provision of loss reserve in current year may differ in the future; therefore, the expected future payments cannot be determined by this table.

b) Cathay Lujiazui Life

i. Direct business development trend

Accident Year	Development Year							Expected Future Payment
	1	2	3	4	5	6	7	
2018Q4-2019Q3	354,067	501,597	677,834	677,834	677,834	677,834	677,834	-
2019Q4-2020Q3	370,409	524,744	760,497	760,497	760,497	760,497	760,497	-
2020Q4-2021Q3	414,781	587,607	821,040	821,040	821,040	821,040	821,040	-
2021Q4-2022Q3	406,277	582,330	786,932	786,932	786,932	786,932	786,932	-
2022Q4-2023Q3	650,035	931,717	1,301,852	1,301,852	1,301,852	1,301,852	1,301,852	-
2023Q4-2024Q3	714,457	1,024,054	1,423,515	1,423,515	1,423,515	1,423,515	1,423,515	399,461
2024Q4-2025Q3	938,074	1,338,452	1,860,551	1,860,551	1,860,551	1,860,551	1,860,551	922,477
								\$ 1,321,938
								Less: Expected claims filed but not yet paid (829,504)
								Reserve for claims not yet filed 492,434
								Add: Claims filed but not yet paid 9,801
								Loss reserve balance \$ 502,235

ii. Retained business development trend

Accident Year	Development Year							Expected Future Payment
	1	2	3	4	5	6	7	
2018Q4-2019Q3	390,769	721,124	1,015,666	1,015,666	1,015,666	1,015,666	1,015,666	-
2019Q4-2020Q3	382,735	542,211	797,371	797,371	797,371	797,371	797,371	-
2020Q4-2021Q3	431,568	582,617	787,320	787,320	787,320	787,320	787,320	-
2021Q4-2022Q3	424,510	570,653	771,153	771,153	771,153	771,153	771,153	-
2022Q4-2023Q3	661,286	936,821	1,338,316	1,338,316	1,338,316	1,338,316	1,338,316	-
2023Q4-2024Q3	722,340	927,003	1,301,958	1,301,958	1,301,958	1,301,958	1,301,958	374,955
2024Q4-2025Q3	945,512	1,343,152	1,886,433	1,886,433	1,886,433	1,886,433	1,886,433	940,921
			Expected future payments					\$ 1,315,876
			Less: Expected claims filed but not yet paid					(829,504)
			Add: Claims filed but not yet paid					8,199
			Loss reserve balance less ceded reserve					\$ 494,571

Note: Retained business equals direct business plus assumed reinsurance less ceded reinsurance business.

Cathay Lujiazui Life provides loss reserve for claims filed but not paid and claims not yet filed. Due to uncertainty, estimation, and judgment, there is a high degree of complexity in provision of loss reserve. Any changes in the estimation or judgment are treated as changes in accounting estimates and the impacts of the changes are recognized as profit or loss as incurred. Notification to Cathay Lujiazui Life may be delayed in certain cases, and estimates of the payments for cases not yet filed involved a large volume of past experiences and subjective judgment; therefore, it is unable to confirm that the loss reserve on the balance sheet date will be equal to the final settlements of claims and payments. The loss reserve is estimated based upon the currently available information; however, the final results may deviate from the original estimates because of the subsequent conditions of the cases.

The above table shows the development trend of claim payments. The accident year is the year when the insurance events occurred; the x-axis is the year of the development for the cases; the amounts above the diagonal line represent the cases in a specific accident year the corresponding accumulated claims and payments and claims filed but not yet paid at the end of the year for the cases in a specific accident year; the amounts below the diagonal line represent the estimates of corresponding accumulated developments for the cases in a specific accident year. The circumstances and trends affecting the provision of loss reserve in current year may differ in the future; therefore, the expected future payments cannot be determined by this table.

c) Cathay Life (Vietnam)

i. Direct business development trend

Accident Year	Development Year				
	1	2	3	4	5
2020Q4-2021Q3	31,268	38,167	38,173	38,176	38,176
2021Q4-2022Q3	50,407	60,335	60,341	60,458	60,458
2022Q4-2023Q3	81,978	94,288	94,288	94,380	94,380
2023Q4-2024Q3	77,500	89,558	89,586	89,673	89,673
2024Q4-2025Q3	72,662	84,923	84,950	85,033	85,033

ii. Retained business development trend

Accident Year	Development Year				
	1	2	3	4	5
2020Q4-2021Q3	31,268	38,167	38,173	38,176	38,176
2021Q4-2022Q3	50,407	60,335	60,341	60,458	60,458
2022Q4-2023Q3	81,978	94,288	94,288	94,380	94,380
2023Q4-2024Q3	77,500	89,558	89,586	89,673	89,673
2024Q4-2025Q3	72,662	84,923	84,950	85,033	85,033

Cathay Life (Vietnam) provides loss reserve for claims filed but not paid and claims not yet filed. Reserve for claims not yet filed is estimated by multiplying the loss ratio of earned premiums by loss ratio based upon the past loss experiences instead of loss triangle method, which was approved by local authorities in Vietnam; therefore, provision for loss reserve is not determined by the above table. Estimates of the payments for cases not yet filed involved a large volume of past experiences and subjective judgment; therefore, it is unable to confirm that the loss reserve on the balance sheet date will be equal to the final settlements of claims and payments.

The above table shows the development trend of claim payments. The accident year is the year when the insurance events occurred; the x-axis is the year of the development for the cases; the amounts above the diagonal line represent the cases in a specific accident year the corresponding accumulated claims and payments and claims filed but not yet paid at the end of the year for the cases in a specific accident year; the amounts below the diagonal line represent the estimates of corresponding accumulated developments for the cases in a specific accident year.

c. Credit risk, liquidity risk, and market risk for insurance contracts

1) Credit risk

The credit risk of the insurance contracts occurs as the reinsurers fail to perform the obligations of reinsurance contracts, which may result in impairment losses on reinsurance assets.

Due to the nature of reinsurance market and the regulations on qualified reinsurers, the insurers in Taiwan sustain certain degree of credit risk concentration of reinsurers. To reduce this risk, the Company chooses the reinsurance counterparty, reviews its credit rating periodically, monitors and controls the risk of reinsurance transactions properly in accordance with the Company's Reinsurance Risk Management Plan and Evaluation Standards for Reinsurers.

The credit ratings of the Company's reinsurers are above a certain level, complying with the Company's internal rules and relevant legal requirements in Taiwan. Furthermore, reinsurance assets are relatively immaterial to the Company's total assets; therefore, no significant credit risk exists.

2) Liquidity risk

The table below is the analysis of the net (undiscounted) cash flow of insurance contracts and of financial instruments with discretionary participation features. The figures shown in this table are the estimated amount of the total insurance payments and expenses of valid insurance contracts in the future, deducting total premium on the balance sheet date. The actual future payment amounts may differ due to the difference between the result and expected amount.

Unit: In 100 Millions of NTD

Insurance Contracts and Financial Instruments with Discretionary Participation Features		
Within 1 Year	1 to 5 Years	Over 5 Years
September 30, 2025	\$ 711	\$ 5,347
December 31, 2024	468	4,380
September 30, 2024	592	4,423

Note: Separate account products were not included.

3) Market risk

The Company measures insurance liabilities by the discounted rates required by the authorities. The authorities regularly review the assumption of the discount rate for policy reserves; however, the change of the assumption may not be at the same time, in the same direction of change with the market price and interest rate, and only applied to new contracts. Therefore, the impacts of those possible changes in market risk on the provision of policy reserve for the Company's valid insurance contracts are considered minor to profit or loss or equity. When the authorities change the discount rate assumption in a reasonably possible manner with remote possibility as current assessment, it will have an impact in a range on profit or loss or equity depending upon the level of the change and the overall product portfolio of the Company. Furthermore, the reasonably possible change in the market risk may have impact on the future cash flows of insurance contracts and financial instruments with discretionary participation features, which are estimated based on available information at the balance sheet date and are used for assessing the adequacy of recognized insurance liabilities. Based on the reasonably possible changes in current market risk, it has little impact on the adequacy of recognized insurance liabilities.

43. SEGMENT INFORMATION

The Group's life insurance business is operated in accordance with the Insurance Act. In accordance with IFRS 8, since the Group only provides insurance policy products and the business decision makers allocate the resources to the Group as a whole, the Group is considered as a single operating segment.

44. CAPITAL MANAGEMENT

a. Management objectives

In order to ensure capital structure and stimulate business growth, the Company manages its capital adequacy in accordance with Regulations Governing Capital Adequacy of Insurance Companies and management policies established by the Company and maintains adequate capital to effectively absorb different types of risk.

b. Management policies

In order for sufficient capital to assume all types of risks, the Company applies RBC ratio and the net worth ratio as the management indicator for capital adequacy. The Company calculates RBC ratio and net worth ratio periodically and aperiodically to monitor the status of short and mid-term capital adequacy and the calculation would serve as reference for business objectives, asset allocation.

In accordance with Regulations Governing Capital Adequacy of Insurance Companies, the components of owned capital and risk-based capital are as follows:

1) Owned capital

Owned capital is divided into Tier 1 unlimited capital, Tier 1 limited capital and Tier 2 capital, which includes:

- a) Items covered by Article 2 of Regulations Governing Capital Adequacy of Insurance Companies.
- b) According to Regulations Governing Capital Adequacy of Insurance Companies, the adjustment items specified in the total capital approved by the authorities for the insurance industry's calculation and calculation formula of the relevant reports and filling manuals of owned capital and risk-based capital.

2) Risk-based capital

Risk-based capital is calculated according to the risks occurring in the business of an insurance enterprise, including:

- a) Asset risk.
- b) Insurance risk.
- c) Interest rate risk.
- d) Other risk.
- e) Catastrophe risk.

Calculation of risk-based capital should comply with requirements regulated by the authorities.

c. Management procedures

1) Periodical calculation

To implement management of RBC, the RBC ratio and the net worth ratio are inspected periodically. In accordance with cash flow of current contracts and assets, future target of new contracts, and the assumptions of best estimates, the Company estimates RBC ratio and the net worth ratio for the incoming year through the asset/liability model and analyzes the solvency if the expected ratio deviates from the control criteria, the Company decreases risk exposures or increases capital in response.

2) Aperiodic calculation

The Company conducts RBC ratio analysis for specific events and assesses their impacts, such as usage of funding, business development, reinsurance arrangement, or changes of the financial market and regulations.

d. Current status of RBC ratio

The Company's RBC ratio, which is calculated in accordance with Regulations Governing Capital Adequacy of Insurance Companies, is above 200% during the past three years, and the net worth ratios are above 3% as of the end of semi-period of 2025 and the end of 2024, which complies with the regulations.

45. DISPOSAL OF SUBSIDIARIES

On April 3, 2024, the Group completed the disposal of all the shares of CHL and its subsidiaries and lost control of the subsidiary.

a. Consideration received from disposals

	CHL and Its Subsidiaries
Cash and cash equivalents	<u>\$ 252,208</u>
Equity shares of Generali Investments Holding S.p.A.	<u>\$ 22,484,807</u>

b. Analysis of assets and liabilities on the date control was lost

	CHL and Its Subsidiaries
Assets	
Cash	\$ 4,039,745
Receivables	2,468,117
Current tax assets	61,216
Financial assets at FVTPL	1,693,137
Financial assets at FVTOCI	3,244
Property and equipment	1,050,842
Right-of-use assets	695,978
Goodwill	12,187,864
Intangible assets other than goodwill	3,282,654
Deferred tax assets	402,742
Others	510,866
Liabilities	
Payables	(3,177,451)
Lease liabilities	(847,910)
Deferred tax liabilities	(1,024,188)
Other liabilities	<u>(2,566,229)</u>
Net assets disposed of	<u>\$ 18,780,627</u>

c. Gain on disposal of subsidiary

	<u>CHL and Its Subsidiaries</u>
Consideration received	\$ 22,737,015
Net assets disposed of	(18,780,627)
Non-controlling interests	530,893
Reclassification of other comprehensive income in respect of subsidiaries	<u>(1,850,287)</u>
Gain on disposals	<u><u>\$ 2,636,994</u></u>

d. Net cash outflow on disposals of subsidiary

	<u>CHL and Its Subsidiaries</u>
Consideration received in cash	\$ 252,208
Less: Cash balances disposed of	<u>(4,039,745)</u>
	<u><u>\$ (3,787,537)</u></u>

46. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On June 26, 2025, the Group acquired an additional 27% equity interest of CM Energy, increasing the percentage of ownership from 70% to 97%.

	<u>CM Energy</u>
Consideration paid	\$ (386,100)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>310,237</u>
Differences recognized from equity transactions	<u><u>\$ (75,863)</u></u>
<u>Line items adjusted for equity transactions</u>	
Capital surplus - changes in percentage of ownership interests in subsidiaries	\$ (8,320)
Unappropriated earnings	<u>(67,543)</u>
	<u><u>\$ (75,863)</u></u>

47. OTHERS

a. Significant assets and liabilities denominated in foreign currencies

The significant financial assets and liabilities denominated in foreign currencies of the entities in the Group aggregated by the foreign currencies other than functional currency and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	September 30, 2025		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 157,306,023	30.469000	\$ 4,792,957,204
AUD	6,247,293	20.115634	125,668,256
Non-monetary items			
USD	8,948,673	30.469000	272,657,126
Investments accounted for using the equity method			
CNY	488,094	4.280200	2,089,139
PHP	36,155,168	0.523500	18,927,231
EUR	683,708	35.778200	24,461,842
<u>Financial liabilities</u>			
Monetary items			
USD	3,161,357	30.469000	96,323,380
	December 31, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 154,907,829	32.781000	\$ 5,078,033,536
AUD	5,881,977	20.394699	119,961,154
Non-monetary items			
USD	8,852,262	32.781000	290,185,989
Investments accounted for using the equity method			
CNY	455,412	4.491300	2,045,393
PHP	34,655,421	0.566900	19,646,158
EUR	696,705	34.131600	23,779,664
<u>Financial liabilities</u>			
Monetary items			
USD	2,446,705	32.781000	80,205,428

	September 30, 2024		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
<u>Financial assets</u>			
Monetary items			
USD	\$ 156,402,376	31.651000	\$ 4,950,291,600
AUD	5,801,072	21.937308	127,259,900
GBP	2,050,569	42.417088	86,979,172
Non-monetary items			
USD	8,041,140	31.651000	254,510,126
Investments accounted for using the equity method			
CNY	465,723	4.511500	2,101,109
PHP	34,600,139	0.564800	19,542,159
EUR	664,448	35.362100	23,496,260

Financial liabilities

Monetary items			
USD	3,656,769	31.651000	115,740,406
GBP	1,536,370	42.417088	65,168,346

Note: Impacts of foreign currencies other than functional currencies of subsidiaries are immaterial; therefore, information of subsidiaries is not disclosed.

b. Total amount of assets and liabilities expected to recover or settle within/over 12 months

Items	September 30, 2025		
	Recovery/ Settlement within 12 Months	Recovery/ Settlement Over 12 Months	Total
Cash and cash equivalents	\$ 335,469,609	\$ -	\$ 335,469,609
Receivables	115,478,352	4,820,746	120,299,098
Current tax assets	108,291	-	108,291
Investments			
Financial assets at FVTPL	70,606,731	1,708,325,786	1,778,932,517
Financial assets at FVTOCI	11,891,771	786,562,806	798,454,577
Financial assets measured at amortized cost	55,219,220	3,908,776,749	3,963,995,969
Financial assets for hedging	-	2,795,544	2,795,544
Investments accounted for using the equity method	-	59,497,660	59,497,660
Investment property	-	552,977,305	552,977,305
Investment property under construction	-	22,332,426	22,332,426
Prepayments for buildings and land - investments	-	1,333,839	1,333,839
Loans	8,037,904	408,767,336	416,805,240
Total investments	<u>145,755,626</u>	<u>7,451,369,451</u>	<u>7,597,125,077</u>

(Continued)

September 30, 2025

Items	Recovery/ Settlement within 12 Months	Recovery/ Settlement Over 12 Months	Total
Reinsurance assets	\$ 373,825	\$ 1,326,533	\$ 1,700,358
Property and equipment	-	41,134,350	41,134,350
Right-of-use assets	-	1,448,536	1,448,536
Intangible assets	-	21,514,793	21,514,793
Deferred tax assets	-	87,029,433	87,029,433
Other assets	34,138,615	34,877,429	69,016,044
Separate account insurance product assets	<u>7,752,017</u>	<u>793,104,989</u>	<u>800,857,006</u>
 Total assets	 <u>\$ 639,076,335</u>	 <u>\$ 8,436,626,260</u>	 <u>\$ 9,075,702,595</u>
 Payables	 \$ 54,603,831	 \$ -	 \$ 54,603,831
Current tax liabilities	460,301	-	460,301
Short-term debt	1,470,097	-	1,470,097
Financial liabilities at FVTPL	36,927,965	1,158,007	38,085,972
Financial liabilities for hedging	4,019	520,827	524,846
Bonds payable	-	192,396,964	192,396,964
Other financial liabilities	22,685,795	36,372,344	59,058,139
Insurance liabilities			
Unearned premium reserve	-	23,269,493	23,269,493
Loss reserve	-	15,353,514	15,353,514
Policy reserve	-	6,985,142,705	6,985,142,705
Special reserve	-	25,801	25,801
Premium deficiency reserve	-	5,573,549	5,573,549
Other reserve	-	100,394	100,394
Total insurance liabilities	<u>-</u>	<u>7,029,465,456</u>	<u>7,029,465,456</u>
Reserve for insurance contracts with the nature of financial products	-	27,966,562	27,966,562
Reserve for foreign exchange valuation	-	55,802,220	55,802,220
Provisions	-	56,245	56,245
Lease liabilities	794,809	15,322,340	16,117,149
Deferred tax liabilities	-	48,248,050	48,248,050
Other liabilities	1,860	12,454,273	12,456,133
Separate account insurance product liabilities	<u>1,050,441</u>	<u>799,806,565</u>	<u>800,857,006</u>
 Total liabilities	 <u>\$ 92,975,537</u>	 <u>\$ 8,244,593,434</u>	 <u>\$ 8,337,568,971</u>
			(Concluded)

December 31, 2024

Items	Recovery/ Settlement within 12 Months	Recovery/ Settlement Over 12 Months	Total
Cash and cash equivalents	\$ 216,664,932	\$ -	\$ 216,664,932
Receivables	130,208,728	4,112,083	134,320,811
Current tax assets	9,874	-	9,874
Investments			
Financial assets at FVTPL	49,079,840	1,677,072,562	1,726,152,402
Financial assets at FVTOCI	21,251,817	626,542,114	647,793,931
Financial assets measured at amortized cost	51,538,305	4,268,479,862	4,320,018,167
Financial assets for hedging	-	6,615	6,615
Investments accounted for using the equity method	-	59,531,996	59,531,996
Investment property	-	545,007,264	545,007,264
Investment property under construction	-	14,779,174	14,779,174
Prepayments for buildings and land - investments	-	1,097,313	1,097,313
Loans	<u>7,627,804</u>	<u>394,721,976</u>	<u>402,349,780</u>
Total investments	<u>129,497,766</u>	<u>7,587,238,876</u>	<u>7,716,736,642</u>
Reinsurance assets	990,903	1,331,081	2,321,984
Property and equipment	-	41,132,343	41,132,343
Right-of-use assets	-	1,403,664	1,403,664
Intangible assets	-	22,810,143	22,810,143
Deferred tax assets	-	77,042,155	77,042,155
Other assets	12,697,106	78,283,462	90,980,568
Separate account insurance product assets	<u>16,635,204</u>	<u>774,323,242</u>	<u>790,958,446</u>
Total assets	<u>\$ 506,704,513</u>	<u>\$ 8,587,677,049</u>	<u>\$ 9,094,381,562</u>
Payables	\$ 32,590,526	\$ -	\$ 32,590,526
Current tax liabilities	301,899	-	301,899
Financial liabilities at FVTPL	70,517,679	-	70,517,679
Financial liabilities for hedging	2,331,437	260,138	2,591,575
Bonds payable	-	195,257,330	195,257,330
Other financial liabilities	23,975,495	6,350,049	30,325,544
Insurance liabilities			
Unearned premium reserve	-	23,210,123	23,210,123
Loss reserve	-	15,257,619	15,257,619
Policy reserve	-	7,034,523,396	7,034,523,396
Special reserve	-	11,106,980	11,106,980
Premium deficiency reserve	-	5,719,451	5,719,451
Other reserve	<u>-</u>	<u>1,818,394</u>	<u>1,818,394</u>
Total insurance liabilities	<u>-</u>	<u>7,091,635,963</u>	<u>7,091,635,963</u>

(Continued)

December 31, 2024

Items	Recovery/ Settlement within 12 Months	Recovery/ Settlement Over 12 Months	Total
Reserve for insurance contracts with the nature of financial products	\$ -	\$ 26,861,096	\$ 26,861,096
Reserve for foreign exchange valuation	-	27,514,387	27,514,387
Provisions	-	56,245	56,245
Lease liabilities	697,446	15,176,845	15,874,291
Deferred tax liabilities	-	75,022,985	75,022,985
Other liabilities	6,035	17,194,163	17,200,198
Separate account insurance product liabilities	<u>1,681,432</u>	<u>789,277,014</u>	<u>790,958,446</u>
Total liabilities	<u>\$ 132,101,949</u>	<u>\$ 8,244,606,215</u>	<u>\$ 8,376,708,164</u>
			(Concluded)

September 30, 2024

Items	Recovery/ Settlement within 12 Months	Recovery/ Settlement Over 12 Months	Total
Cash and cash equivalents	\$ 504,133,674	\$ -	\$ 504,133,674
Receivables	115,142,449	3,630,035	118,772,484
Current tax assets	36,572	-	36,572
Investments			
Financial assets at FVTPL	91,228,431	1,471,671,297	1,562,899,728
Financial assets at FVTOCI	16,069,518	608,528,110	624,597,628
Financial assets measured at amortized cost	57,343,052	4,131,030,655	4,188,373,707
Financial assets for hedging	97,974	-	97,974
Investments accounted for using the equity method	-	55,568,482	55,568,482
Investment property	-	540,440,819	540,440,819
Investment property under construction	-	17,352,008	17,352,008
Prepayments for buildings and land - investments	-	1,536,370	1,536,370
Loans	<u>7,505,491</u>	<u>385,154,507</u>	<u>392,659,998</u>
Total investments	<u>172,244,466</u>	<u>7,211,282,248</u>	<u>7,383,526,714</u>
Reinsurance assets	624,405	1,339,930	1,964,335
Property and equipment	-	40,897,186	40,897,186
Right-of-use assets	-	1,487,928	1,487,928
Intangible assets	-	23,276,444	23,276,444
Deferred tax assets	-	55,800,828	55,800,828
Other assets	9,435,784	27,542,222	36,978,006
Separate account insurance product assets	<u>6,731,573</u>	<u>772,106,792</u>	<u>778,838,365</u>
Total assets	<u>\$ 808,348,923</u>	<u>\$ 8,137,363,613</u>	<u>\$ 8,945,712,536</u>
			(Continued)

September 30, 2024

Items	Recovery/ Settlement within 12 Months	Recovery/ Settlement Over 12 Months	Total
Payables	\$ 23,141,232	\$ -	\$ 23,141,232
Current tax liabilities	404,832	-	404,832
Financial liabilities at FVTPL	6,524,481	-	6,524,481
Financial liabilities for hedging	1,332,408	-	1,332,408
Bonds payable	-	193,927,725	193,927,725
Other financial liabilities	3,226,705	4,542,913	7,769,618
Insurance liabilities			
Unearned premium reserve	-	21,947,794	21,947,794
Loss reserve	-	14,142,466	14,142,466
Policy reserve	-	6,952,160,690	6,952,160,690
Special reserve	-	11,104,150	11,104,150
Premium deficiency reserve	-	6,353,197	6,353,197
Other reserve	-	1,831,756	1,831,756
Total insurance liabilities	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u>7,007,540,053</u>	<u>7,007,540,053</u>
Reserve for insurance contracts with the nature of financial products	-	26,586,555	26,586,555
Reserve for foreign exchange valuation	-	43,563,371	43,563,371
Provisions	-	56,245	56,245
Lease liabilities	627,101	15,354,648	15,981,749
Deferred tax liabilities	-	61,578,754	61,578,754
Other liabilities	7,194	22,711,752	22,718,946
Separate account insurance product liabilities	<u>983,172</u>	<u>777,855,193</u>	<u>778,838,365</u>
Total liabilities	<u>\$ 36,247,125</u>	<u>\$ 8,153,717,209</u>	<u>\$ 8,189,964,334</u>

(Concluded)

c. Information on discretionary investments

1) As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company entrusted securities investment trust companies to provide discretionary investment services on its behalf, and the related investments are as follows:

Items	September 30, 2025	December 31, 2024	September 30, 2024
Domestic stocks	\$ 177,545,490	\$ 209,907,605	\$ 141,147,545
Overseas stocks	49,947,297	44,479,459	34,299,350
Notes and bonds purchased under resale agreements	700,000	12,848,000	22,463,000
Cash in banks	60,620,578	32,382,425	118,062,073
Beneficiary certificates	2,357,252	2,454,130	2,310,832
Futures and options	47	50	49
Corporate bonds	<u>26,351,010</u>	<u>25,994,480</u>	<u>25,515,814</u>
	<u>\$ 317,521,674</u>	<u>\$ 328,066,149</u>	<u>\$ 343,798,663</u>

The carrying amounts of the financial assets operated discretionarily by securities investment trust enterprises are equal to their fair values.

2) As of September 30, 2025, December 31, 2024 and September 30, 2024, the discretionary investment limits are as follows (in thousands):

	September 30, 2025	December 31, 2024	September 30, 2024
Monetary items			
NTD	\$ 101,448,000	\$ 135,948,000	\$ 137,948,000
USD	1,255,500	1,137,500	1,299,500

d. Structured entities

1) Consolidated structured entities

The consolidated structured entities in the Group's consolidated financial statements are the real estate investment and management organizations. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Group provided loans amounting to GBP331,300 thousand, as financial support to the entities for operation and investment needs.

2) Unconsolidated structured entities

a) The Group holds interests in structured entities which are not consolidated in the Group's consolidated financial statements and the Group does not provide financial support or other support to these structured entities. The maximum exposure to these structured entities is the carrying amount of the related assets held by the Group. The information of these unconsolidated structured entities is disclosed as follows:

Types of Structured Entity	Nature and Purpose	Interests Owned
Private equity fund	Investment in private equity funds issued by external third parties to receive returns	Investment in units or limited partnership interests issued by the funds
Securitization vehicle	Investment in securitization vehicle to receive returns	Investment in asset-backed securities issued by the entities

b) As of September 30, 2025, December 31, 2024 and September 30, 2024, the carrying amounts of the Group's assets related to its interests in unconsolidated structured entities are disclosed as follows:

	September 30, 2025	
	Private Equity Funds	Securitization Vehicle
Financial assets at FVTPL	\$ 183,435,036	\$ 15,531,109
Financial assets at FVTOCI	-	85,286,581
Financial assets measured at amortized cost	-	162,055,985
	<u>\$ 183,435,036</u>	<u>\$ 262,873,675</u>

	December 31, 2024	
	Private Equity Funds	Securitization Vehicle
Financial assets at FVTPL	\$ 188,851,432	\$ 18,877,852
Financial assets at FVTOCI	-	55,679,591
Financial assets measured at amortized cost	<u>-</u>	<u>181,848,593</u>
	<u><u>\$ 188,851,432</u></u>	<u><u>\$ 256,406,036</u></u>
	September 30, 2024	
	Private Equity Funds	Securitization Vehicle
Financial assets at FVTPL	\$ 178,785,418	\$ 19,324,193
Financial assets at FVTOCI	-	49,211,294
Financial assets measured at amortized cost	<u>-</u>	<u>175,159,432</u>
	<u><u>\$ 178,785,418</u></u>	<u><u>\$ 243,694,919</u></u>

48. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Cathay Lujiazui Life approved amendments of the Articles of Incorporation at the shareholders' meeting on October 9, 2025. With no change in shareholding ratios, both parties agreed to equalize shareholders' rights and obligations, and jointly controlled the management of Cathay Lujiazui Life. Accordingly, the Company's investment in Cathay Lujiazui Life will be reclassified from a controlling interest to an investment under significant influence in a joint venture.

49. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

No.	Description	Explanation
1	Acquisition of individual real estate at price over \$100 million or 20% of the paid-in capital.	N/A
2	Disposal of individual real estate at price over \$100 million or 20% of the paid-in capital.	Table 6
3	Engage in core business transactions with related parties amounting over \$100 million or 20% of the paid-in capital.	Note 36
4	Receivables from related parties amounting over \$100 million or 20% of the paid-in capital.	Table 9
5	Trading in derivative instruments.	Notes 8, 10 and 41

b. Information of investees

No.	Description	Explanation
1	Information on investee, including name, location, etc.	Table 1
2	Financing provided to others.	Table 2
3	Endorsements/guarantees provided.	Table 3
4	Marketable securities held.	Table 4
5	Marketable securities acquired or disposed of at accumulated amounts over \$100 million or 20% of the paid-in capital.	Table 5
6	Acquisition of individual real estate at price over \$100 million or 20% of the paid-in capital.	N/A
7	Disposal of individual real estate at price over \$100 million or 20% of the paid-in capital.	N/A
8	Engage in core business transactions with related parties and transaction amounting over \$100 million or 20% of the paid-in capital.	Note 36
9	Receivables from related parties amounting over \$100 million or 20% of the paid-in capital.	Table 9
10	Trading in derivative instruments.	N/A

c. Information on investments in mainland China

No.	Description	Explanation
1	Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of the investment, repatriation of investment income, and limit of investment in mainland China. If the investee belongs to the insurance industry, the location, status of capital funds and related income, provision methodology and balances of insurance policy reserves, percentage of insurance income and percentage of insurance benefits and claims should also be revealed.	Table 7
2	Significant transactions, with investees in mainland China, either directly or indirectly through a third region including transaction prices, payment conditions, and unrealized gains or losses.	N/A
3	Mutual transactions in core business areas, such as the underwriting of insurance policy contracts where the policyholder is the investee, the amount of such transactions and their percentages, and the end-of-period balances of the related payables and receivables and their percentages.	N/A
4	The amount of property transactions and the amount of the resulting gains or losses.	N/A
5	The highest balance, the end-of-period balance, the interest rate range, and total interest in the current period with respect to the financing of funds.	N/A
6	Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.	N/A

d. The important intercompany transactions among the Group are disclosed in Table 8 following the notes to the consolidated financial statements.

e. Information on major shareholders: For all shareholders with ownership of 5% or greater, the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder should be disclosed: N/A.

TABLE 1

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

(In Thousands of New Taiwan Dollars/In Thousands Share of Ordinary Shares)

Investor Company	Name of Investee	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2025			Net Profit (Loss) of the Investee	Share of Profit (Loss)	Note
				September 30, 2025	December 31, 2024	Number of Shares	Ratio (%)	Carrying Amount			
Cathay Life Insurance Co., Ltd.	Cathay Life Insurance (Vietnam) Co., Ltd.	Vietnam	Life insurance	\$ 20,370,930	\$ 20,370,930	-	100.00	\$ 26,920,374	\$ 1,375,568	\$ 1,375,568	Subsidiary (Note 2)
	Cathay Woolgate Exchange Holding 1 Limited	Jersey Island	Real estate investment and operation management	22,258,333	22,258,333	468,636	100.00	22,417,464	1,435,698	1,435,698	Subsidiary (Note 1)
	Cathay Woolgate Exchange Holding 2 Limited	Jersey Island	Real estate investment and operation management	224,832	224,832	4,734	100.00	218,736	13,507	13,507	Subsidiary (Note 1)
	Cathay Walbrook Holding 1 Limited	Jersey Island	Real estate investment and operation management	10,189,090	10,189,090	213,750	100.00	3,754,156	132,829	132,829	Subsidiary (Note 1)
	Cathay Walbrook Holding 2 Limited	Jersey Island	Real estate investment and operation management	536,268	536,268	11,250	100.00	183,446	5,196	5,196	Subsidiary (Note 1)
	Cathay Industrial Research and Design Center Co., Ltd.	Taiwan	Real estate services	4,455,000	4,455,000	445,500	99.00	4,170,750	(20,938)	(20,730)	Subsidiary (Note 1)
	Cathay Wind Power Holdings Co., Ltd.	Taiwan	Energy technical services	9,900	9,900	990	99.00	(630,010)	(219,844)	(217,645)	Subsidiary (Note 2)
	Cathay Power Inc.	Taiwan	Energy technical services	3,222,862	3,222,862	259,264	70.00	3,273,609	200,766	140,361	Subsidiary (Note 2)
	Cathaylife Singapore Pte. Ltd.	Singapore	Holding company	975,840	975,840	30,000	100.00	811,655	(71,468)	(71,468)	Subsidiary (Note 2)
	Cathay Securities Investment Consulting Co., Ltd.	Taiwan	Securities investment consulting services	300,000	300,000	30,000	100.00	638,923	100,385	100,385	Subsidiary (Note 1)
	Symphox Information Co., Ltd.	Taiwan	Wholesale of information software	404,432	404,432	24,511	50.00	493,953	(7,700)	(3,850)	Joint venture (Note 2)
	Rizal Commercial Banking Corporation	Philippines	Banking	15,683,953	15,683,953	452,019	18.68	18,927,231	2,399,027	448,187	Associate (Note 2)
	Dasheng Venture Capital Co., Ltd.	Taiwan	Venture investment	118,067	305,241	11,807	25.00	136,664	5,458	1,364	Associate (Note 2)
	Dasheng IV Venture Capital Co., Ltd.	Taiwan	Venture investment	339,928	359,331	33,993	21.43	323,115	5,110	1,095	Associate (Note 2)
	CMG International One Co., Ltd.	Taiwan	Lease and development of residence and buildings	1,575,000	1,575,000	157,500	45.00	1,532,169	(16,810)	(7,565)	Associate (Note 2)
	CMG International Two Co., Ltd.	Taiwan	Lease and development of residence and buildings	1,800,000	1,800,000	180,000	45.00	1,740,812	(18,431)	(8,294)	Associate (Note 2)
	DingTeng Co., Ltd.	Taiwan	Sewage treatment	756,116	756,116	55,511	27.36	977,972	116,515	31,881	Associate (Note 2)
	PSS Co., Ltd.	Taiwan	Parking space management	782,706	782,706	20,188	30.48	1,396,566	426,114	129,895	Associate (Note 2)
	Cathay Venture Inc.	Taiwan	Venture investment	1,567,574	1,567,574	129,543	25.00	2,080,831	1,489,085	372,272	Associate (Note 1)
	Lin Yuan Property Management Co., Ltd.	Taiwan	Property management services	63,636	63,636	1,470	49.00	87,546	121,736	59,651	Associate (Note 2)
	TaiYang Solar Power Co., Ltd.	Taiwan	Energy technical services	495,000	495,000	49,500	45.00	620,045	50,789	22,855	Associate (Note 2)
	ThrivEnergy Co., Ltd.	Taiwan	Energy technical services	216,000	216,000	21,600	28.80	211,480	(12,808)	6,102	Associate (Note 2)
	Generali Investments Holding S.p.A.	Italy	Holding company	22,484,807	22,484,807	12,654	16.75	24,461,842	7,748,181	1,297,820	Associate (Note 2)
Cathay Power Inc.	Sunrise Pv One Co., Ltd.	Taiwan	Energy technical services	1,000,000	1,000,000	100,000	100.00	1,144,858	89,760	Note 3	Subsidiary (Note 2)
	Cathy Sunrise Two Co., Ltd.	Taiwan	Energy technical services	20,000	20,000	2,000	100.00	22,827	1,250	Note 3	Subsidiary (Note 2)
	Bai Yang Energy Co., Ltd.	Taiwan	Energy technical services	144,241	144,241	6,500	100.00	146,106	5,914	Note 3	Subsidiary (Note 2)
	Cathy Sunrise Electric Power Two Co., Ltd.	Taiwan	Energy technical services	125,000	125,000	12,500	100.00	135,729	8,957	Note 3	Subsidiary (Note 2)
	Hong Cheng Sing Tech. Co., Ltd.	Taiwan	Energy technical services	5,000	5,000	500	100.00	161	(768)	Note 3	Subsidiary (Note 2)
	Shen Lyu Co., Ltd.	Taiwan	Energy technical services	100	100	10	100.00	(12,323)	(332)	Note 3	Subsidiary (Note 2)
	Nan Yang Power Co., Ltd.	Taiwan	Energy technical services	75,645	75,645	7,564	80.00	85,533	9,845	Note 3	Subsidiary (Note 2)
	CM Energy Co., Ltd.	Taiwan	Energy technical services	1,140,809	754,709	97,000	97.00	1,036,143	32,232	Note 3	Subsidiary (Note 2)
	Neo Cathay Power Corp.	Taiwan	Energy technical services	1,601,400	1,601,400	150,000	100.00	1,602,050	57,193	Note 3	Subsidiary (Note 2)
	Cathay Wind Power Holdings Co., Ltd.	Taiwan	Energy technical services	100	100	10	1.00	(6,364)	(219,844)	Note 4	Subsidiary (Note 2)
Sunrise Pv One Co., Ltd.	Shu Guang Energy Co., Ltd.	Taiwan	Energy technical services	35,000	35,000	3,500	70.00	36,151	1,435	Note 5	Subsidiary (Note 2)
CM Energy Co., Ltd.	Hong Tai Energy Co., Ltd.	Taiwan	Energy technical services	150,000	150,000	15,000	100.00	191,943	22,321	Note 6	Subsidiary (Note 2)
	Tian Ji Energy Co., Ltd.	Taiwan	Energy technical services	10,000	10,000	1,000	100.00	13,145	1,181	Note 6	Subsidiary (Note 2)
	Tian Ji Power Co., Ltd.	Taiwan	Energy technical services	400,000	400,000	40,000	100.00	420,204	6,176	Note 6	Subsidiary (Note 2)
Hong Tai Energy Co., Ltd.	Hong Tai Power Co., Ltd.	Taiwan	Energy technical services	50,000	50,000	5,000	100.00	60,368	5,229	Note 7	Subsidiary (Note 2)
Neo Cathay Power Corp.	Si Yi Co., Ltd.	Taiwan	Energy technical services	707,617	707,617	70,000	100.00	755,732	19,226	Note 8	Subsidiary (Note 2)
	Da Li Energy Co., Ltd.	Taiwan	Energy technical services	402,958	402,958	40,000	100.00	435,189	27,610	Note 8	Subsidiary (Note 2)
	Yong Han Co., Ltd.	Taiwan	Energy technical services	272,336	272,336	25,000	100.00	283,241	10,465	Note 8	Subsidiary (Note 2)
Cathay Wind Power Holdings Co., Ltd.	Cathay Wind Power Co., Ltd.	Taiwan	Energy technical services	9,000	9,000	900	100.00	(636,432)	(219,299)	Note 9	Subsidiary (Note 2)
Cathay Wind Power Co., Ltd.	Greater Changhua NW Holdings Ltd.	Taiwan	Energy technical services	3,761,119	3,761,119	-	50.00	3,779,372	(164,187)	(82,094)	Joint venture (Note 2)

(Continued)

Note 1: Share of profit or loss is recognized on the basis of the financial statements which have been reviewed by an independent auditor.

Note 2: Share of profit or loss is recognized on the basis of the financial statements which have not been reviewed by an independent auditor.

Note 3: The share of profit or loss is recognized with the equity method by Cathay Power Inc.

Note 4: The share of profit or loss is recognized with the equity method by the Company and Cathay Power Inc.

Note 5: The share of profit or loss is recognized with the equity method by Sunrise Pv One Co., Ltd.

Note 6: The share of profit or loss is recognized with the equity method by CM Energy Co., Ltd.

Note 7: The share of profit or loss is recognized with the equity method by Hong Tai Energy Co., Ltd.

Note 8: The share of profit or loss is recognized with the equity method by Neo Cathay Power Corp.

Note 9: The share of profit or loss is recognized with the equity method by Cathay Wind Power Holdings Co., Ltd.

(Concluded)

TABLE 2**CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES**

FINANCE PROVIDED TO OTHERS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	Cathay Power Inc.	Sunrise Pv One Co., Ltd.	Other receivables - from related parties	Y	\$ 570,000	\$ 565,000	\$ 507,787	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	\$ 1,653,003	\$ 1,653,003
		Cathy Sunrise Two Co., Ltd	Other receivables - from related parties	Y	4,700	4,700	3,200	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	1,653,003	1,653,003
		Shen Lyu Co., Ltd.	Other receivables - from related parties	Y	369,410	15,000	12,467	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	1,653,003	1,653,003
		Cathy Sunrise Electric Power Two Co., Ltd.	Other receivables - from related parties	Y	30,000	30,000	20,000	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	1,653,003	1,653,003
2	Neo Cathay Power Corp.	Cathy Sunrise Electric Power Two Co., Ltd.	Other receivables - from related parties	Y	212,000	132,000	100,380	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	642,087	642,087
		Shu Guang Energy Co., Ltd.	Other receivables - from related parties	Y	22,000	-	-	2.1-2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	642,087	642,087
3	CM Energy Co., Ltd.	Cathay Power Inc.	Other receivables - from related parties	Y	180,000	180,000	177,076	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	440,144	440,144
		Tian Ji Power Co., Ltd.	Other receivables - from related parties	Y	50,000	50,000	35,000	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	440,144	440,144
		Tian Ji Energy Co., Ltd.	Other receivables - from related parties	Y	29,400	29,400	2,940	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	440,144	440,144
		Hong Tai Energy Co., Ltd.	Other receivables - from related parties	Y	70,000	70,000	70,000	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	440,144	440,144
		Shu Guang Energy Co., Ltd.	Other receivables - from related parties	Y	17,000	17,000	16,000	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	440,144	440,144
		Cathy Sunrise Electric Power Two Co., Ltd.	Other receivables - from related parties	Y	70,000	70,000	-	2.2	Short-term financing	\$ -	Operating cycle	\$ -	-	\$ -	440,144	440,144

Note: The total amount of external funds provided by Cathay Power, Neo Cathay Power, and CM Energy are limited to 40% of the net value of the most recent, and individual loans are limited to 40% of the net value financial statement audited by an independent auditor.

TABLE 3

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/Guaranteed During the Period	Outstanding Endorsement/Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/Guaranteed by Collateral	Ratio of Accumulated Endorsement/Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/Guarantee Limit	Endorsement/Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 1)											
1	Cathay Power Inc.	Sunrise Pv One Co., Ltd. Cathy Sunrise Electric Power Two Co., Ltd. Hong Cheng Sing Tech. Co., Ltd. Nan Yang Power Co., Ltd. Si Yi Co., Ltd. Da Li Energy Co., Ltd.	b b b b b b	\$ 10,331,269 10,331,269 10,331,269 10,331,269 10,331,269 10,331,269	\$ 3,226,083 276,012 53,000 130,000 937,600 638,000	\$ 2,907,255 276,012 53,000 - 937,600 638,000	\$ 1,906,102 215,528 51,000 - 886,130 451,079	\$ - - - - - -	70.35 6.68 1.28 - 22.69 15.44	\$ 10,331,269 10,331,269 10,331,269 10,331,269 10,331,269 10,331,269	(Note 2) (Note 2) (Note 2) (Note 2) (Note 2) (Note 2)	(Note 2) (Note 2) (Note 2) (Note 2) (Note 2) (Note 2)	N N N N N N	(Note 3) (Note 3) (Note 3) (Note 3) (Note 3) (Note 3)
2	Sunrise Pv One Co., Ltd.	Cathay Power Inc.	c	2,819,131	460,000	460,000	60,000		40.79	2,819,131	(Note 2)	(Note 2)	N	(Note 4)
3	Neo Cathay Power Corp.	Si Yi Co., Ltd. Da Li Energy Co., Ltd. Yong Han Co., Ltd.	b b b	4,013,045 4,013,045 4,013,045	1,380,342 626,181 379,867	- - -	- - -	- - -	- - -	4,013,045 4,013,045 4,013,045	(Note 2) (Note 2) (Note 2)	(Note 2) (Note 2) (Note 2)	N N N	(Note 5) (Note 5) (Note 5)
4	CM Energy Co., Ltd.	Tian Ji Energy Co., Ltd. Hong Tai Energy Co., Ltd.	b b	2,750,899 2,750,899	21,921 325,132	18,102 322,032	16,197 281,419	- -	1.65 29.27	3,301,079 3,301,079	(Note 2) (Note 2)	(Note 2) (Note 2)	N N	(Note 6) (Note 6)
5	Cathay Wind Power Holdings Co., Ltd.	Cathay Wind Power Co., Ltd.	b	21,956,586	21,890,032	21,890,032	21,890,032	21,956,586	(90505.86)	21,956,586	(Note 2)	(Note 2)	N	(Notes 7, 8 and 9)

Note 1: Relationships between the endorser/guarantor and the endorsee/guarantee receiver:

- a. The Company and guarantee party have business deals.
- b. The Company directly and indirectly owned over 50% of the guaranteed party's voting stocks.
- c. The guaranteed party owned directly and indirectly over 50% of the Company's voting stocks.
- d. The Company directly and indirectly owned over 90% of the guaranteed party's voting stocks.
- e. The guarantor and guaranteed party are peers in contract projects or co-builders in accordance with contract provisions that require mutual insurance company.
- f. Owing to the joint venture funded by all shareholders on the endorsement of its holding company.
- g. Peers in performance bond joint security of pre-sale house contract under Consumer Protection Act.

Note 2: Non-listed parent company endorsement of subsidiaries or subsidiaries endorsement of listed parent company.

Note 3: The total amount of endorsement provided by Cathay Power was 250% of Cathay Power's net value in the end of the previous year, and the endorsement limit for a single company is 250% of Cathay Power's net value in the end of the previous year.

Note 4: The total amount of endorsement provided by Sunrise Pv One was 250% of Sunrise Pv One's net value in the end of the previous year, and the endorsement limit for a single company is 250% of Sunrise Pv One's net value in the end of the previous year.

Note 5: The total amount of endorsement provided by Neo Cathay Power was 250% of Neo Cathay Power's net value in the end of the previous year, and the endorsement limit for a single company is 250% of Neo Cathay Power's net value in the end of the previous year.

Note 6: The total amount of endorsement provided by CM Energy was 300% of CM Energy's net value in the end of the previous year, and the endorsement limit for a single company is 250% of CM Energy's net value in the end of the previous year.

Note 7: The total amount of endorsements and guarantees, as well as the endorsement limit for a single company by Cathay Wind Power Holdings Co., Ltd., is restricted to the total value of collateral assets provided under the project financing documents, bridge financing documents, hedging agreements, shareholder injections, and equity purchase termination payments for the Greater Changhua Offshore Wind Farm NW Ltd. Project.

Note 8: The collateral assets for endorsement and guarantees provided by Cathay Wind Power Holdings include an account pledged by Cathay Life Insurance to Cathay Wind Power Holdings, which is then re-pledged by Cathay Wind Power Holdings to the beneficiaries (calculated based on the principal or account balance of the pledged account). Additionally, it includes the equity stake held by Cathay Wind Power Holdings in Cathay Wind Power, valued at the most recent net asset value (if the net asset value is less than zero, it is considered as zero).

Note 9: The ratio of accumulated endorsement/guarantee to net equity in latest financial statements provided by Cathay Wind Power Holdings is calculated based on its net asset value of \$(24,186) thousand for the latest year (2024).

TABLE 4**CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES****MARKETABLE SECURITIES HELD****SEPTEMBER 30, 2025**

(In Thousands of New Taiwan Dollars/In Thousands of Ordinary Shares)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statements Accounts	September 30, 2025				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Symphox Information Co., Ltd.	<u>Stocks</u> Asia Skin Cosmetics Company Buyforyou Co., Ltd. Seaward Card Co., Ltd. Thinkpower Information Co., Ltd. Bowl Cut Entertainment Co., Ltd.	N/A N/A Parent and subsidiary Associate Parent and subsidiary	Financial assets at FVTOCI	1,293	\$ 60,541	7.72	\$ 60,541	
			Financial assets at FVTOCI	117	-	10.00	-	
			Investments accounted for using the equity method	3,000	64,536	100.00	64,536	
			Investments accounted for using the equity method	170,145	625,532	30.50	625,532	
			Investments accounted for using the equity method	2,688	48,406	100.00	48,406	
	<u>Bonds</u> Bank of America Corporation (BAC) Cathay BBB Corporate bond ex China Coupon 4.5% 10Yr+ 20% Sector Capped ETF (00752B) Cathay U.S. Treasury 20+ Year Bond ETF (00687B) Cathay US Premium Bond Fund B	N/A Associate Associate Associate	Financial assets at FVTOCI	-	39,975	-	39,975	
			Financial assets at FVTPL	-	12,762	-	12,762	
			Financial assets at FVTPL	-	2,651	-	2,651	
			Financial assets at FVTPL	-	12,387	-	12,387	

TABLE 5**CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT ACCUMULATED AMOUNTS OVER \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**
(In Thousands of New Taiwan Dollars/In Thousands of Ordinary Shares)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Other Adjustments	Ending Balance (Note 2)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain (Loss) on Disposal		Shares/Units	Amount
Cathay Power Inc.	CM Energy Co., Ltd.	Investments accounted for using the equity method	Power Master Energy Co., Ltd.	Subsidiary	70,000	\$ 770,252	27,000	\$ 386,100	-	\$ -	\$ -	\$ -	\$ (120,209) (Note 1)	97,000	\$ 1,036,143

Note 1: Profit or loss accounted for using the equity method and other components.

Note 2: Eliminated during the preparation of consolidated financial statements.

TABLE 6**CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES****DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICE OVER \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025**
(In Thousands of New Taiwan Dollars)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection of Payments	Gain (Loss) on Disposal	Counterparty	Relationship	Purpose of Disposal	Pricing Reference	Other Terms
The Company	71 parcels of land located at Sanzuowu Section, Zhongli Dist., Taoyuan City	2025.01.20	2024.12.05, 2024.12.06, 2024.12.09, 2024.12.10	\$ 490,757	\$ 490,757	Note	Note	ROC and Taoyuan City Government	Non-related party	Note	Note	None

Note: The company donated the land to the Republic of China and Taoyuan City Government for building capacity transfer.

TABLE 7

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)

Investee Company	Main Business and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2025	Net Profit (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2025	Accumulated Repatriation of Investment Income as of September 30, 2025
					Outflow	Inflow						
Cathay Lujiazui Life Insurance Co., Ltd.	Life insurance	\$ 13,497,155	a	\$ 6,748,578	\$ -	\$ -	\$ 6,748,578	\$ (153,760)	50.0	\$ (76,880) (Note 2,b,2)	\$ 9,964,042	\$ -
Cathay Insurance Company Limited (China)	Property insurance	12,196,844	a	2,943,663	-	-	2,943,663	634,727	24.5	155,508 (Note 2,b,3)	2,089,139	-
Lin Yuan (Shanghai) Real Estate Co., Ltd.	Office leasing	7,223,435	a	7,223,435	-	-	7,223,435	(97,600)	100.0	(90,833) (Note 2,b,2)	7,761,706	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2025	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
\$16,915,676 (Including the amounts of CNY2,845,000 thousand and US\$106,352 thousand)	\$16,915,676 (Including the amounts of CNY2,845,000 thousand and US\$106,352 thousand)	\$436,126,876

Note 1: The 3 methods of investment are as follows:

- a. Direct investment in China.
- b. Reinvestment in China through the third-region companies.
- c. Others.

Note 2: The column of investment profit or loss for the period:

- a. If it is in preparation, there are no investment gains and losses, it should be noted.
- b. The recognition basis for investment gain (loss) are as follows:
 - 1) Financial statement is reviewed by an international CPA firms with the cooperation of the ROC CPA firm.
 - 2) Financial statement is reviewed by the parent company's CPA firm in Taiwan.
 - 3) Other.

Note 3: Information on investments in mainland China

On December 25, 2002 and July 24, 2003, the Investment Commission of the Ministry of Economic Affairs ("MOEAIC") authorized the Company to remit US\$22,850 thousand and US\$27,150 thousand, respectively, as the registered capital to establish a China-based company named Cathay Life Insurance Co., Ltd. (Guangzhou). The total amount of the registered capital was revised from US\$50,000 thousand to US\$48,330 thousand approved by MOEAIC on December 20, 2010. Also, MOEAIC authorized the Company to remit US\$59,000 thousand as the registered capital again on May 16, 2008. MOEAIC authorized the Company to remit US\$3,400 thousand as the registered capital again on April 2, 2012. MOEAIC also authorized the revision of the amount of US\$32,520 thousand of unexecuted project to CNY200,000 thousand to avoid currency risk on September 14, 2013. The total registered capital was US\$110,730 thousand. On September 25, 2003, MOEAIC authorized Cathay Life Insurance Co., Ltd. (Guangzhou) to change its location from Guangzhou to Shanghai. The Company's subsidiary, Cathay Life Insurance Ltd. (China) acquired a business license of an enterprise as legal person on December 29, 2004 and changed its name to Cathay Lujiazui Life Insurance Company Ltd. following approval by the National Financial Regulatory Administration on August 12, 2014. The Company remitted US\$48,330 thousand to the subsidiary as of December 31, 2009. The Company injected additional US\$29,880 thousand on September 29, 2010 and CNY200,000 thousand on May 8, 2014. On August 23, 2017, MOEAIC authorized the Company to remit CNY700,000 thousand and the amount was remitted on September 20, 2017. As of September 30, 2025, the Company's remittances to the subsidiary amounted to a total of approximately CNY900,000 thousand and US\$78,210 thousand.

(Continued)

On October 17, 2007, MOEAIC authorized the Company to remit US\$26,390 thousand as the registered capital to establish a China-based general insurance subsidiary (in the form of a joint venture with Cathay Century Insurance) of which was also approved by National Financial Regulatory Administration on October 8, 2007. On March 6, 2008, MOEAIC authorized the Company to increase the remittances from US\$26,390 thousand to US\$28,960 thousand. On August 15, 2008, MOEAIC further authorized the Company to revise the remittance from US\$28,960 thousand to US\$28,140 thousand. The joint venture company named Cathay Insurance Company Ltd. (China) established by the Company and Cathay Century Insurance in Shanghai acquired a business license of an enterprise as legal person on August 26, 2008. On May 28, 2013, MOEAIC authorized the Company to remit CNY200,000 thousand to increase the share capital. Also, MOEAIC authorized the Company to remit CNY245,000 thousand on December 6, 2018. On November 26, 2019, MOEAIC authorized the Company to remit CNY245,000 thousand to increase the share capital. Since the solvency of Cathay Insurance Company Ltd. (China) was compliant with the regulatory requirements, the Company's board of directors resolved to suspend capital increase on January 26, 2022. On March 3, 2022, MOEAIC authorized the Company to cancel CNY245,000 thousand which was authorized by MOEAIC on November 26, 2019. As of September 30, 2025, the Company's remittances to this general insurance company amounted to approximately CNY445,000 thousand and US\$28,140 thousand.

On November 1, 2011 and April 11, 2012, MOEAIC authorized the Company to remit CNY300,000 (US\$47,000) thousand and CNY500,000 (US\$80,000) thousand, respectively. A total of US\$127,000 thousand was used as the registered capital to establish a China-based company named Lin Yuan (Shanghai) Real Estate Co., Ltd. The Company's subsidiary, Lin Yuan (Shanghai) Real Estate Co., Ltd. acquired a business license of an enterprise as legal person on August 15, 2012. On April 1, 2013, MOEAIC authorized the Company to remit CNY700,000 (US\$111,000) thousand to increase the share capital. As of September 30, 2025, the Company's remittances to Lin Yuan (Shanghai) Real Estate Co., Ltd. amounted to approximately CNY1,500,000 thousand.

Note 4: The relevant information regarding Cathay Lujiazui Life Insurance Co., Ltd. and Cathay Insurance Company Limited (China) is as follows:

- a. The location: Shanghai, China.
- b. Status of capital funds and related income: As of September 30, 2025, the investment assets of Cathay Lujiazui Life Insurance Co., Ltd. and Cathay Insurance Company Limited (China) amounted to \$166,825,558 thousand and \$13,274,970 thousand, respectively, and net investment income was \$6,121,072 thousand and \$603,572 thousand, respectively.
- c. Provision methodology and balances of insurance policy reserves.

As of September 30, 2025, the balances of reserves of Cathay Lujiazui Life Insurance Co., Ltd. and Cathay Insurance Company Limited (China) were as follows:

	Cathay Lujiazui Life Insurance Co., Ltd.	Cathay Insurance Company Limited (China)
Unearned premium reserve	\$ 346,493	\$ 8,594,756
Loss reserve	502,235	4,554,575
Policy reserve	<u>136,242,564</u>	-
	<u><u>\$ 137,091,292</u></u>	<u><u>\$ 13,149,331</u></u>

Provision methodology of insurance policy reserves:

- 1) Unearned premium reserve: For an unexpired in-force contract with a policy period shorter than one year, the calculation of unearned premium reserve is based on the unexpired risk.
- 2) Loss reserve: The reserve for claims filed but not yet paid is assessed based on the actual relevant information of each case and provided by insurance type. The reserve for claims not yet filed is provided based on the past experiences of actual claims and expenses in line with actuarial principles.
- 3) Policy reserve: Reserve in accordance with the life table and interest rates by reserves regulations and laws of the mainland China and Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises.
- d. Percentage of premium income: As of September 30, 2025, the premium income of Cathay Lujiazui Life Insurance Co., Ltd. and Cathay Insurance Company Limited (China) amounted to \$39,737,674 thousand and \$19,160,971 thousand, respectively, and the percentage of premium income was 13.54% and 6.53%, respectively.
- e. Percentage of insurance claim payments: As of September 30, 2025, the insurance claim payments of Cathay Lujiazui Life Insurance Co., Ltd. and Cathay Insurance Company Limited (China) amounted to \$2,785,748 thousand and \$12,412,327 thousand, respectively, and the percentage of insurance claim payments was 0.84% and 3.73%, respectively.

(Concluded)

TABLE 8**CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES****INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			% of Total Operating Revenue or Assets (Note 3)
				Financial Statement Accounts	Amount	Payment Terms (Note 4)	
0	Cathay Life Insurance Co., Ltd.	Cathay Walbrook Holding 1 Limited Cathay Walbrook Holding 1 Limited Cathay Walbrook Holding 1 Limited Cathay Walbrook Holding 2 Limited Cathay Walbrook Holding 2 Limited Tian Ji Power Co., Ltd.	a a a a a a	Other loans	\$ 12,888,117	Equivalent to general conditions of transactions	0.14
				Other receivables	28,396	Equivalent to general conditions of transactions	-
				Interest income	723,079	Equivalent to general conditions of transactions	0.13
				Other loans	686,301	Equivalent to general conditions of transactions	0.01
				Interest income	38,504	Equivalent to general conditions of transactions	0.01
				Administrative expense	8,288	Equivalent to general conditions of transactions	-
1	Cathay Power Inc.	Sunrise Pv One Co., Ltd. Sunrise Pv One Co., Ltd. Sunrise Pv One Co., Ltd. Cathy Sunrise Electric Power Two Co., Ltd. Shen Lyu Co., Ltd. Si Yi Co., Ltd. Tian Ji Power Co., Ltd. Da Li Energy Co., Ltd. Cathy Sunrise Two Co., Ltd.	c c c c c c c c c	Other receivables	594,084	Equivalent to general conditions of transactions	-
				Administrative revenue	17,714	Equivalent to general conditions of transactions	0.01
				Interest income	6,118	Equivalent to general conditions of transactions	-
				Other receivables	24,307	Equivalent to general conditions of transactions	-
				Other receivables	12,533	Equivalent to general conditions of transactions	-
				Administrative revenue	5,955	Equivalent to general conditions of transactions	-
				Administrative revenue	4,936	Equivalent to general conditions of transactions	-
				Administrative revenue	3,538	Equivalent to general conditions of transactions	-
				Other receivables	5,029	Equivalent to general conditions of transactions	-
2	CM Energy, Co., Ltd.	Cathay Power Inc. Hong Tai Energy Co., Ltd. Tian Ji Power Co., Ltd. Tian Ji Energy Co., Ltd. Shu Guang Energy Co., Ltd.	c c c c c	Other receivables	180,059	Equivalent to general conditions of transactions	-
				Other receivables	92,620	Equivalent to general conditions of transactions	-
				Other receivables	73,582	Equivalent to general conditions of transactions	-
				Other receivables	4,460	Equivalent to general conditions of transactions	-
				Other receivables	16,105	Equivalent to general conditions of transactions	-
3	Neo Cathay Power Corp.	Cathy Sunrise Electric Power Two Co., Ltd.	c	Other receivables	101,041	Equivalent to general conditions of transactions	-

Note 1: Parent is numbered 0; subsidiaries are sequentially numbered starting from 1.

Note 2: Categories of relationships:

- a. Parent to subsidiary.
- b. Subsidiary to parent.
- c. Between subsidiaries.

Note 3: Percentage of transaction amount to total consolidated operating revenue or assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets.

For income statement accounts: Accumulated transaction amount in current period ÷ Total consolidated operating revenues.

Note 4: Terms and conditions of related party transactions are made on arm's length basis. There is no difference in terms and conditions between related parties and non-related parties transactions.

TABLE 9**CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL****SEPTEMBER 30, 2025****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Cathay Wind Power Co., Ltd.	Greater Changhua Offshore Wind Farm NW Ltd.	Subsidiary of joint venture	\$ 38,095,784 (Note 1)	-	\$ -	-	\$ -	\$ -
	Greater Changhua NW Holdings Ltd.	Joint venture	8,563,243 (Note 1)	-	-	-		
Cathay Power Inc.	Sunrise Pv one Co., Ltd.	Subsidiary	594,084 (Note 1)	-	-	-	6,440	-
CM Energy Co., Ltd.	Cathay Power Inc.	Parent Company	180,059 (Note 1)	-	-	-	81,701	-
Neo Cathay Power Corp.	Cathy Sunrise Electric Power Two Co., Ltd.	Same ultimate parent entity	101,041 (Note 1)	-	-	-	-	-
Cathay Life Insurance Co., Ltd.	Cathay Century Insurance Co., Ltd.	Fellow subsidiary	114,588 (Note 2)	-	-	-	-	-
Cathay Life Insurance (Vietnam) Co., Ltd.	Indovina Bank Limited	Same ultimate parent entity	254,844 (Note 3)	-	-	-	-	-

Note 1: The ending balance mainly comprises loans and interest receivables.

Note 2: The ending balance mainly comprises service fee receivables.

Note 3: The ending balance mainly comprises interest receivables.