

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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

	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE				
Retained earned premium				
Written premium	\$ 449,091,788	57	\$ 433,445,414	53
Reinsurance premium	(28,193)	-	88,010	-
Premium income	449,063,595	57	433,533,424	53
Less: Reinsurance expense	(2,885,056)	(1)	(2,861,395)	-
Net changes in unearned premium reserve	(1,208,013)	-	(1,737,399)	-
Total retained earned premium	444,970,526	56	428,934,630	53
Reinsurance commission income	652,007	-	317,717	-
Fee income	13,300,169	2	13,542,387	2
Net investment incomes (losses)				
Interest income	208,922,595	26	207,279,612	25
Gain (loss) on financial assets and liabilities at fair value through profit or loss	173,254,220	22	(116,346,251)	(14)
Gain (loss) on derecognition of financial assets measured at amortized cost	2,251,667	-	(504,299)	-
Realized gain on financial assets at fair value through other comprehensive income	8,790,388	1	7,163,409	1
Share of profit of associates and joint ventures accounted for using the equity method	3,485,239	1	2,777,077	-
Foreign exchange (loss) gain	(123,384,966)	(16)	210,956,678	26
Net changes in reserve for foreign exchange valuation	(71,658,752)	(9)	(6,741,061)	(1)
Gain on investment property	22,579,710	3	13,934,570	2
Expected credit loss on investments	(2,419,357)	-	(1,838,259)	-
Other net investment income	637,687	-	150,505	-
Gain (loss) on reclassification using overlay approach	28,731,775	4	(16,313,576)	(2)
Other operating revenue	1,582,142	-	1,550,323	-
Separate account insurance product income	80,394,157	10	67,116,912	8
Total operating revenue	792,089,207	100	811,980,374	100

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	2025		2024	
	Amount	%	Amount	%
OPERATING COSTS				
Retained claims payments				
Insurance claims payments	\$ 455,952,237	57	\$ 477,971,769	59
Less: Claims and payments recovered from reinsurers	<u>(1,556,141)</u>	<u>-</u>	<u>(2,121,479)</u>	<u>(1)</u>
Total retained claims payments	454,396,096	57	475,850,290	58
Net changes in other insurance liabilities				
Net changes in loss reserve	749,878	-	1,986,328	-
Net changes in policy reserve	109,171,365	14	110,025,897	14
Net changes in special reserve	6,221	-	16,441	-
Net changes in premium deficiency reserve	284,420	-	(1,127,489)	-
Net changes in other reserve	<u>(28,515)</u>	<u>-</u>	<u>(15,859)</u>	<u>-</u>
Total net changes in other insurance liabilities	110,183,369	14	110,885,318	14
Net changes in reserve for insurance contracts with the nature of financial products	1,945,558	-	2,105,199	-
Underwriting expenses	16,823,031	2	16,922,111	2
Commission expenses	23,440,652	3	21,615,323	3
Finance costs	11,384,371	2	7,417,917	1
Other operating costs	8,626,269	1	8,485,666	1
Separate account insurance product expenses	<u>80,394,157</u>	<u>10</u>	<u>67,116,912</u>	<u>8</u>
Total operating costs	<u>707,193,503</u>	<u>89</u>	<u>710,398,736</u>	<u>87</u>
OPERATING EXPENSES				
General expenses	18,201,913	3	15,765,020	2
Administrative expenses	17,994,373	2	16,378,587	2
Employee training expenses	74,340	-	75,236	-
Expected credit loss on non-investment	<u>4,232</u>	<u>-</u>	<u>20,697</u>	<u>-</u>
Total operating expenses	<u>36,274,858</u>	<u>5</u>	<u>32,239,540</u>	<u>4</u>

(Continued)

CATHAY LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
OPERATING INCOME	\$ 48,620,846	6	\$ 69,342,098	9
NON-OPERATING INCOME AND EXPENSES	<u>2,527,731</u>	<u>-</u>	<u>2,538,391</u>	<u>-</u>
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	51,148,577	6	71,880,489	9
INCOME TAX BENEFIT (EXPENSE)	<u>5,416,342</u>	<u>1</u>	<u>(5,624,329)</u>	<u>(1)</u>
NET PROFIT FROM CONTINUING OPERATIONS	<u>56,564,919</u>	<u>7</u>	<u>66,256,160</u>	<u>8</u>
PROFIT FROM DISCONTINUED OPERATIONS	<u>-</u>	<u>-</u>	<u>1,023,944</u>	<u>-</u>
NET PROFIT	<u>56,564,919</u>	<u>7</u>	<u>67,280,104</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	1,040,196	-	3,011,253	-
Gain on equity instruments at fair value through other comprehensive income	9,326,907	1	22,322,896	3
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method for items that will not be reclassified subsequently to profit or loss	151,605	-	(69,602)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	112,675	-	(703,549)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(2,370,463)	-	2,426,651	1
Loss on hedging instruments	(1,553,736)	-	(1,088,655)	-
Gain (loss) on debt instruments at fair value through other comprehensive income	15,238,567	2	(24,019,465)	(3)
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method for items that may be reclassified subsequently to profit or loss	(4,263,770)	(1)	1,363,974	-

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	2025		2024	
	Amount	%	Amount	%
Other comprehensive (loss) income reclassified using overlay approach	\$ (28,731,775)	(4)	\$ 16,313,576	2
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(2,416,250)</u>	<u>-</u>	<u>1,860,255</u>	<u>-</u>
Total other comprehensive (loss) income, net of income tax	<u>(13,466,044)</u>	<u>(2)</u>	<u>21,417,334</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 43,098,875</u>	<u>5</u>	<u>\$ 88,697,438</u>	<u>11</u>
NET (LOSS) PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 56,575,280	7	\$ 66,883,309	8
Non-controlling interests	<u>(10,361)</u>	<u>-</u>	<u>396,795</u>	<u>-</u>
	<u>\$ 56,564,919</u>	<u>7</u>	<u>\$ 67,280,104</u>	<u>8</u>
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 44,624,335	5	\$ 84,110,574	10
Non-controlling interests	<u>(1,525,460)</u>	<u>-</u>	<u>4,586,864</u>	<u>1</u>
	<u>\$ 43,098,875</u>	<u>5</u>	<u>\$ 88,697,438</u>	<u>11</u>
EARNINGS PER SHARE				
From continuing and discontinued operations				
Basic earnings per share	<u>\$ 8.91</u>		<u>\$ 10.53</u>	
From continuing operations				
Basic earnings per share	<u>\$ 8.91</u>		<u>\$ 10.38</u>	

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

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