



國泰金控

Cathay Financial Holdings

2026 First Half Financial Results

August 2026



Agenda

- ❑ **Business overview**
- ❑ **Business performance summary**
 - Cathay United Bank
 - Cathay Life
 - Cathay Century
 - Cathay SITE
 - Cathay Securities
- ❑ **Cathay Life IFRS 17 transition reference and TIS**
- ❑ **Cathay's sustainability efforts**
- ❑ **Appendix**

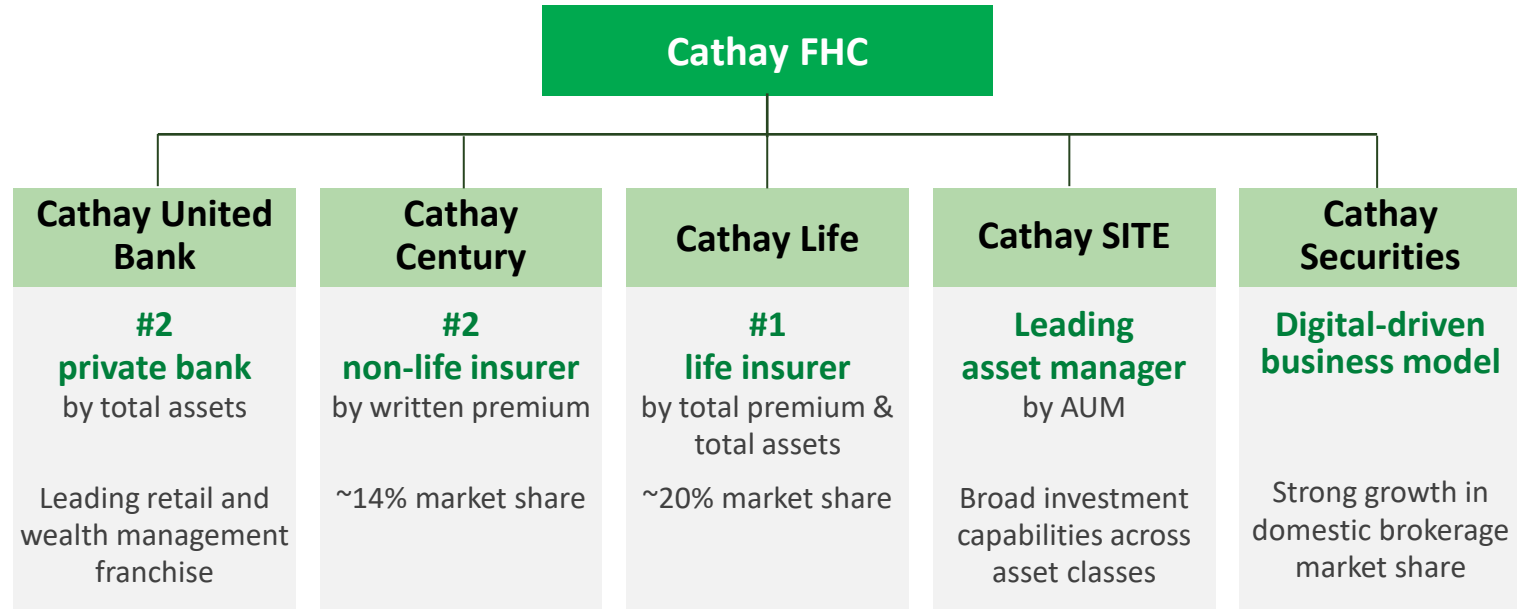
Cathay FHC: largest FHC, integrated financial platform

**#1
FHC**

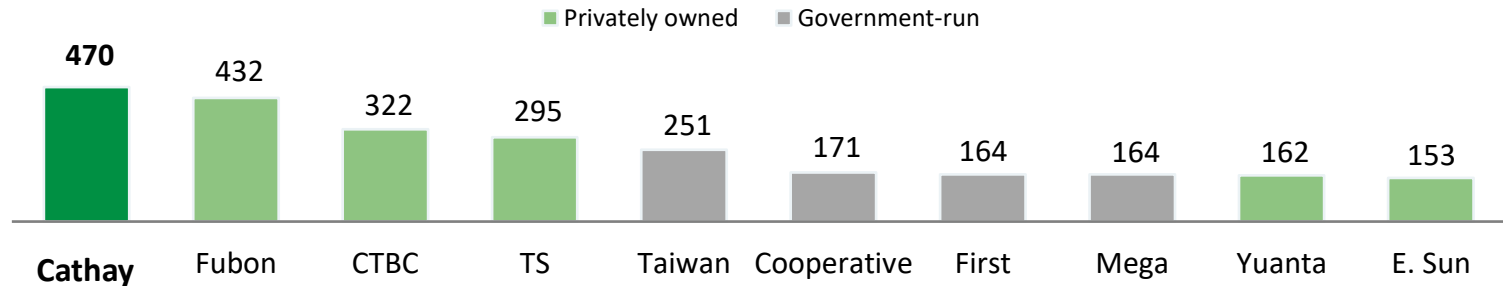
**15mn+
customers**

65%+ of Taiwan's
population

**US\$470bn
total assets**

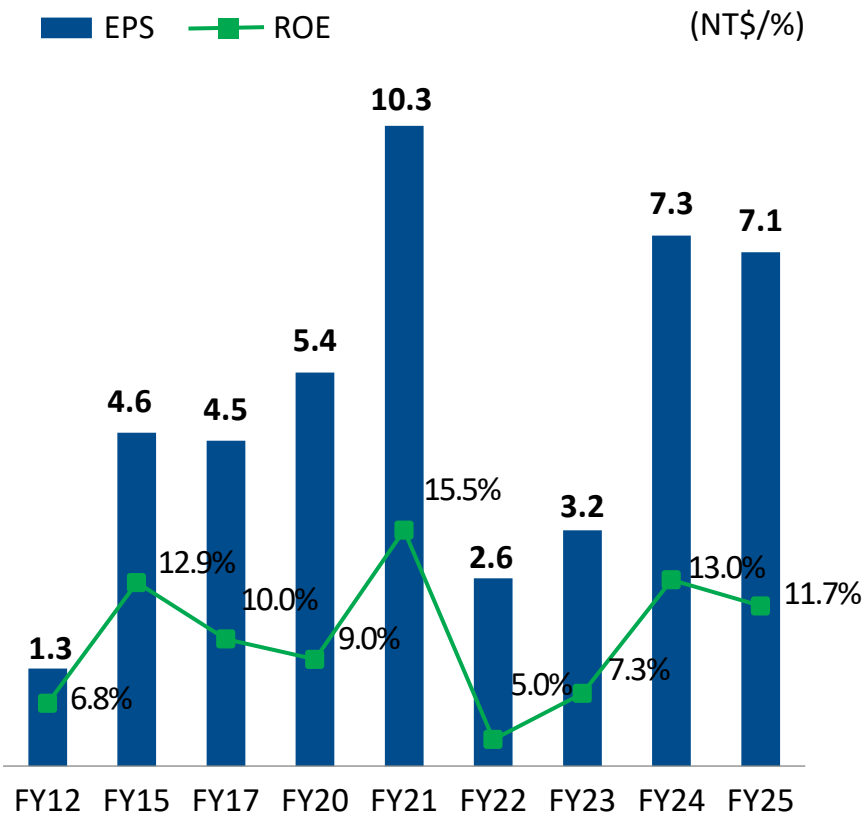


Ranking of total asset (US\$bn)



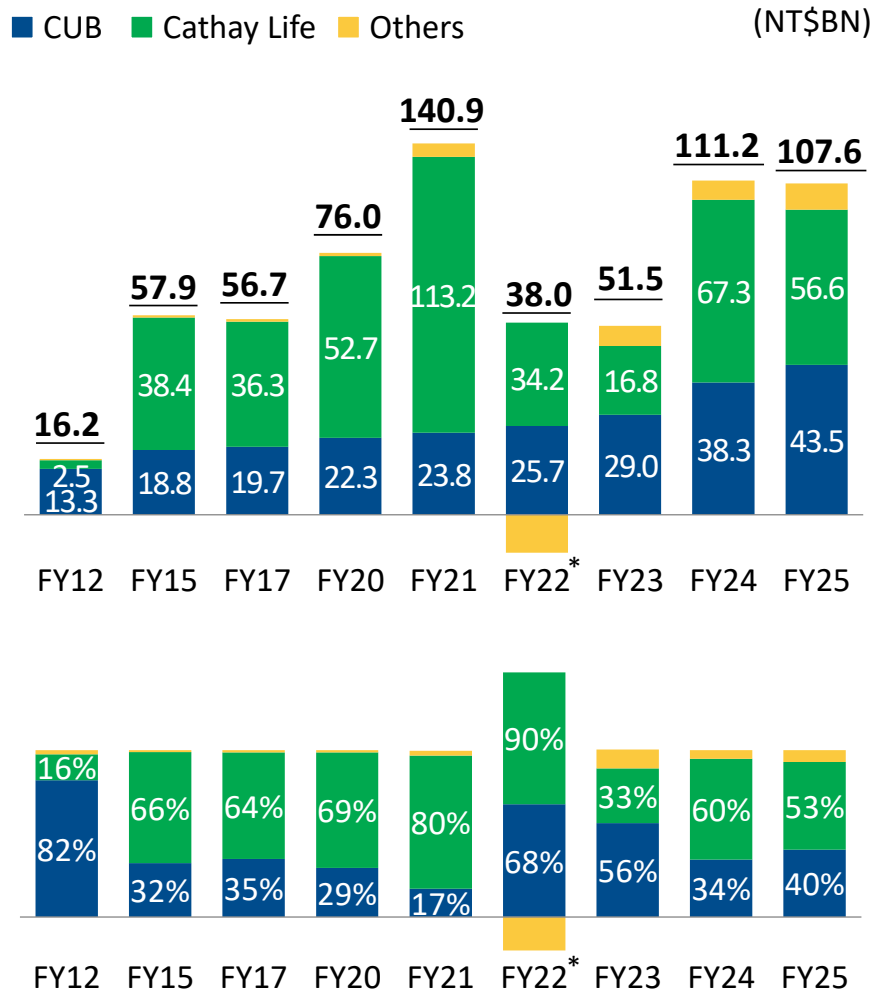
Cathay FHC continued to deliver solid earnings

EPS & ROE



Note: EPS has been adjusted for stock dividend (stock split).

Profit contribution



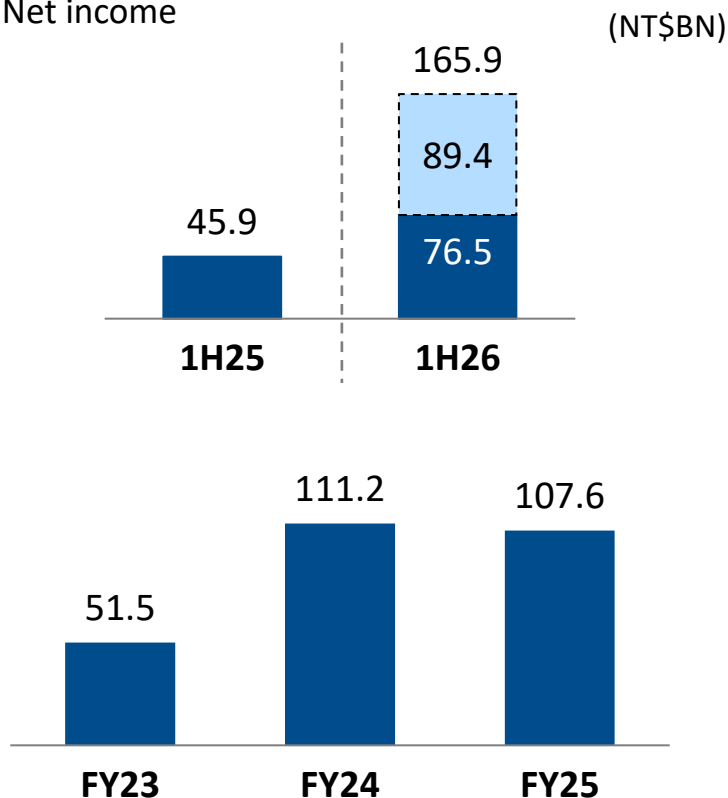
* Cathay Century reported a net loss of NT\$19.6bn due to pandemic insurance losses.

Cathay FHC – Net income & EPS

- 1H26 net income reached NT\$76.5bn. Net income plus after-tax FVOCI equity disposal gains recognized in retained earnings totaled NT\$165.9bn, surpassing the FY25 full-year level and setting a new all-time high. Core business momentum across subsidiaries remained robust.

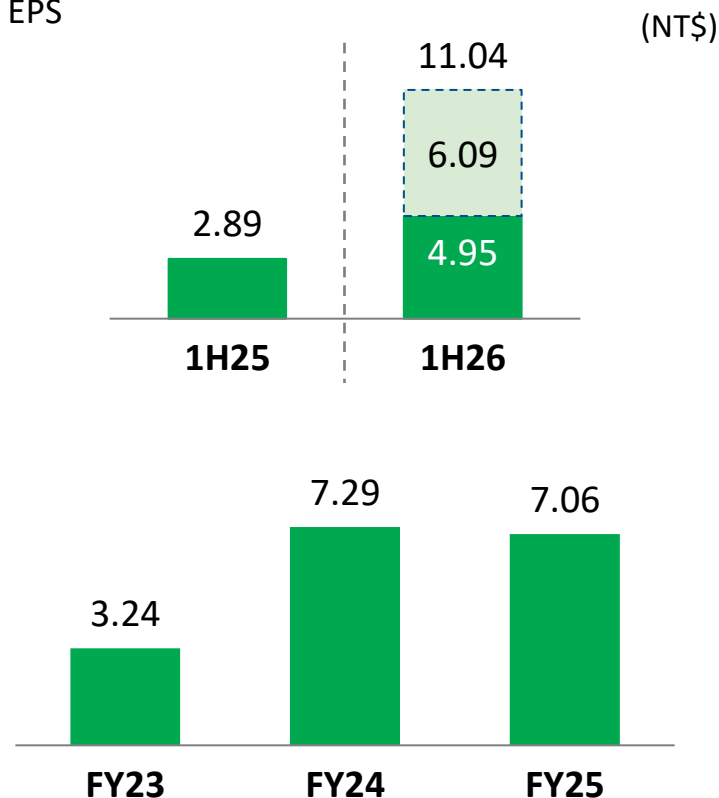
Net income & amount in R/E*

 FVOCI equity disposal gains, net of tax
 Net income



EPS & amount in R/E per share*

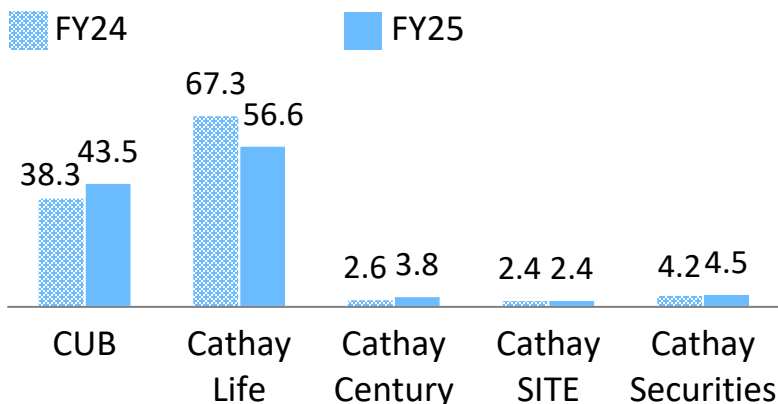
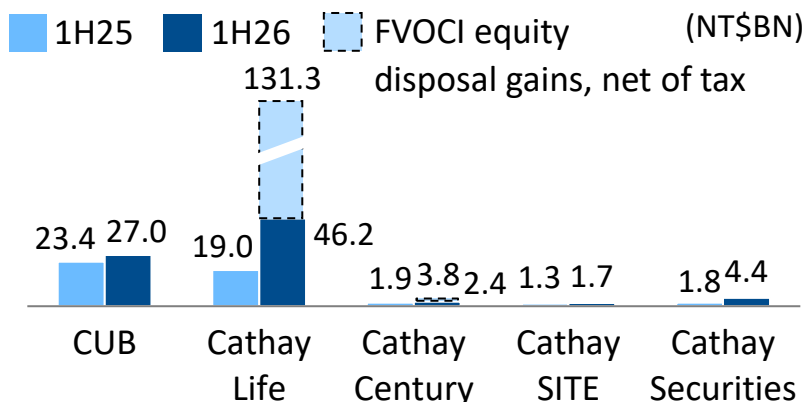
 FVOCI equity disposal gains/share, net of tax
 EPS



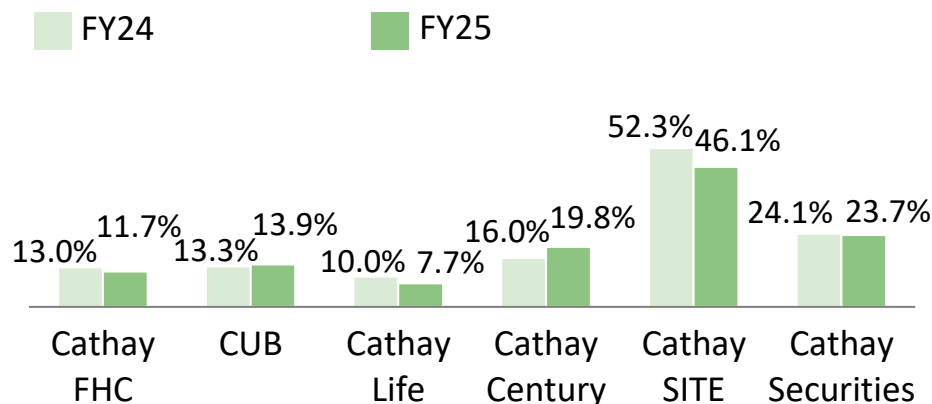
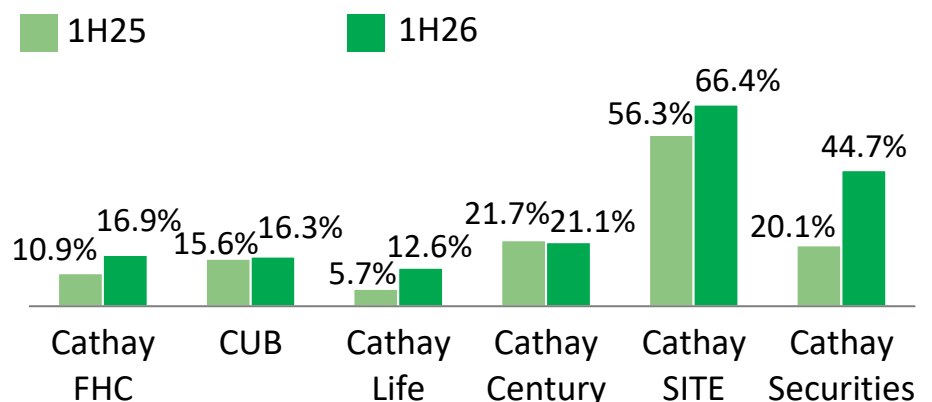
Cathay FHC – Net income & ROE

- CUB, Cathay Century, Cathay SITE and Cathay Securities delivered first-half record-high net income. Cathay Life's net income plus after-tax FVOCI equity disposal gains surpassed the FY25 level and reached a new all-time high. Cathay FHC and major subsidiaries all delivered double-digit ROE.

Subsidiary net income



ROE

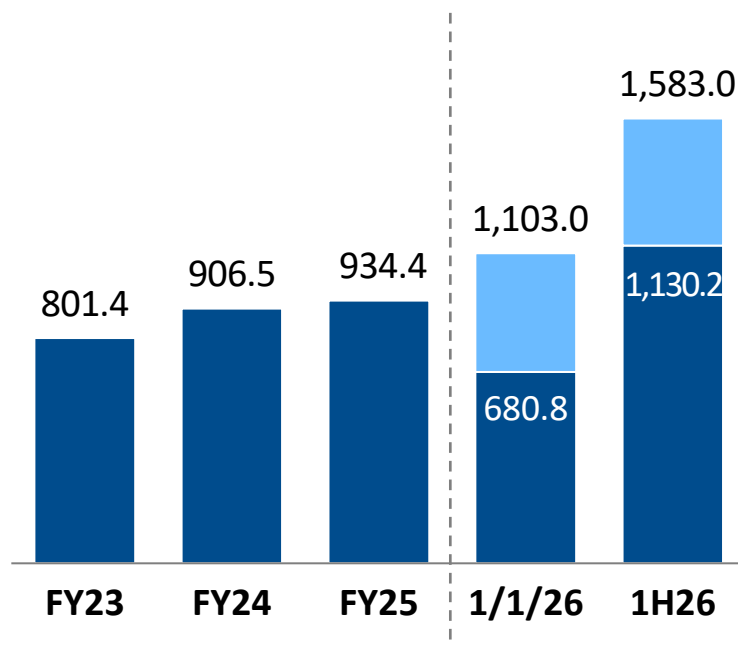


Cathay FHC – Net worth & BVPS

- 1H26 net worth reached NT\$1.1tn, setting a record high, supported by strong earnings and significant increases in OCI asset and liability valuations.

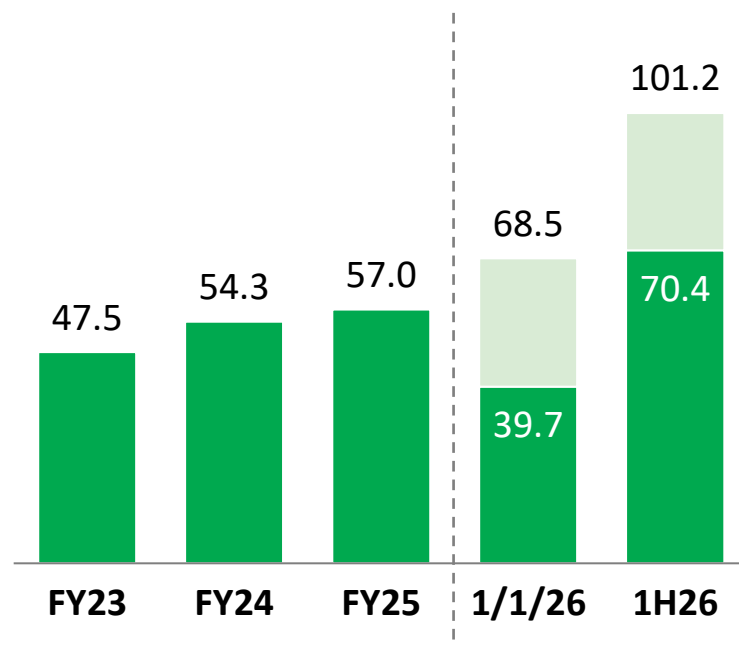
Net worth & adjusted net worth⁽¹⁾

After-tax CSM (NT\$BN)
Net worth



BVPS & adjusted BVPS⁽²⁾

After-tax CSM per share (NT\$)
BVPS



Cathay FHC's ongoing overseas expansion in Asia

	China	Vietnam	Cambodia	Hong Kong	Singapore	Malaysia	Laos	Philippines	Myanmar	Thailand	Indonesia
■ Bank	7	37	15	1	1	1	1	1	1	1	1
● Life	48	109									
▲ P&C	25	2									
◆ Asset Mgt.	1										
◆ Securities				2							

Note: (1) Footprints in Thailand and Indonesia are rep. offices.

(2) Cathay FHC owns 49% stake in Cathay Insurance (China), and 33% stake in BSCOM Cathay Asset Management.



Banking

Advancing toward a regional banking franchise through localization, digitalization, and green finance.

- Expanding corporate banking business from cross-border corporate clients to local corporates and regional supply chains.
- Continuing expansion of overseas banking presence, including new branch developments in Japan.

Life Insurance

- Vietnam: Driving business transformation and organizational optimization; 1H26 total premium reached VND 1.5tn.
- China: Continuing to strengthen agency, bancassurance, and broker channels; 1H26 total premium rose 81% YoY to RMB 7.5bn.

P&C Insurance

- Vietnam: Advancing digitalization and mobile insurance applications; 1H26 premium totaled VND 274bn.

1H26 Business highlights

Cathay United Bank

- Net income grew 15% YoY to a first-half record high.
- Loans and deposits delivered strong growth. Net interest income increased 14% YoY. Asset quality remained sound.
- Net fee income rose 11% YoY, driven by strong wealth management momentum.

Cathay Life

- New business CSM reached NT\$53.9bn; CSM balance rose 6.9% YTD to NT\$547.0bn.
- Significantly lower liability interest cost at 2.13% vs. FY25, solid pre-hedging recurring yield of 3.47%, and stable hedging cost supported a positive spread.
- Net worth reached a record high of NT\$958.7bn, with equity-to-asset ratio at 11.8%, supported by strong equity markets and sound ALM.

Cathay Century

- Written premiums grew steadily, with market share at 13.2%.
- Net income reached a first-half record high, supported by well-contained loss ratios; retained combined ratio declined YoY.

Cathay SITE

- Listed Cathay's first active ETF, 00400A, with AUM reaching NT\$25.4bn.
- AUM reached NT\$3.6tn; mandate AUM totaled NT\$1.7tn, ranking No.1 in the industry.
- Recognized by The Asset as Taiwan Asset Management Company of the Year for the 8th consecutive year; ETF 00878 won Best Sustainability ETF for the second time.

Cathay Securities

- Strengthened digital operating edge through data analytics to optimize customer experience; leveraged group synergies to expand customer base, supporting continued gains in domestic brokerage market share.
- Expanded sub-brokerage product offerings and optimized platform functions, driving sustained growth in sub-brokerage trading value.

Agenda

- ❑ **Business overview**
- ❑ **Business performance summary**

Cathay United Bank

Cathay Life

Cathay Century

Cathay SITE

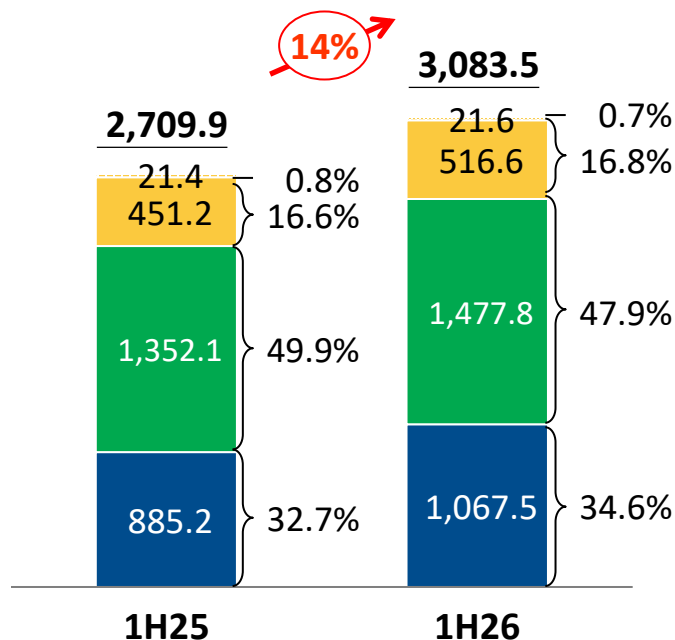
Cathay Securities

- ❑ **Cathay Life IFRS 17 transition reference and TIS**
- ❑ **Cathay's sustainability efforts**
- ❑ **Appendix**

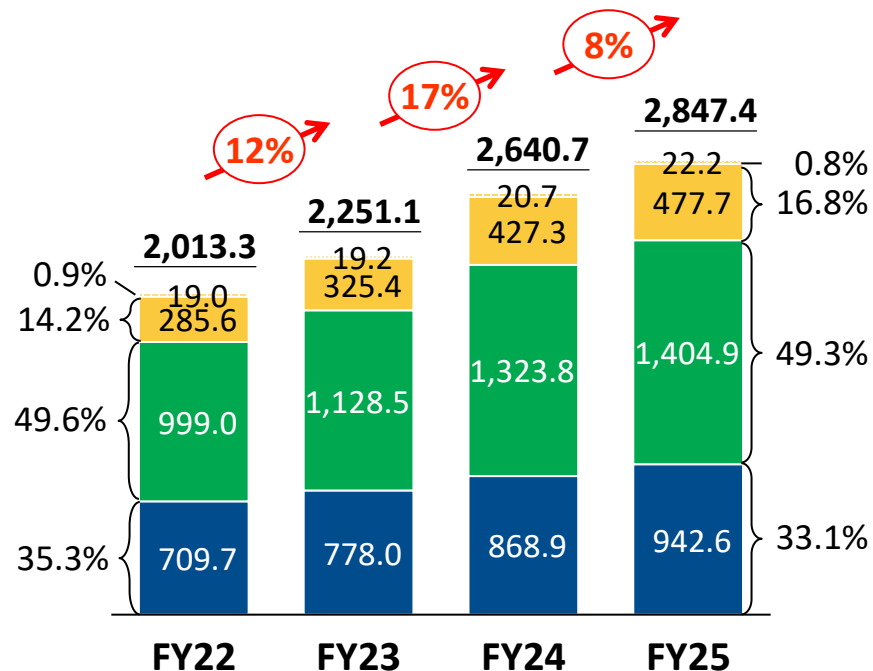
Cathay United Bank – Loan breakdown

- Loans grew 14% YoY, with double-digit growth in corporate and consumer loans, while mortgage loans maintained steady growth.

Loan breakdown



Annual loan breakdown

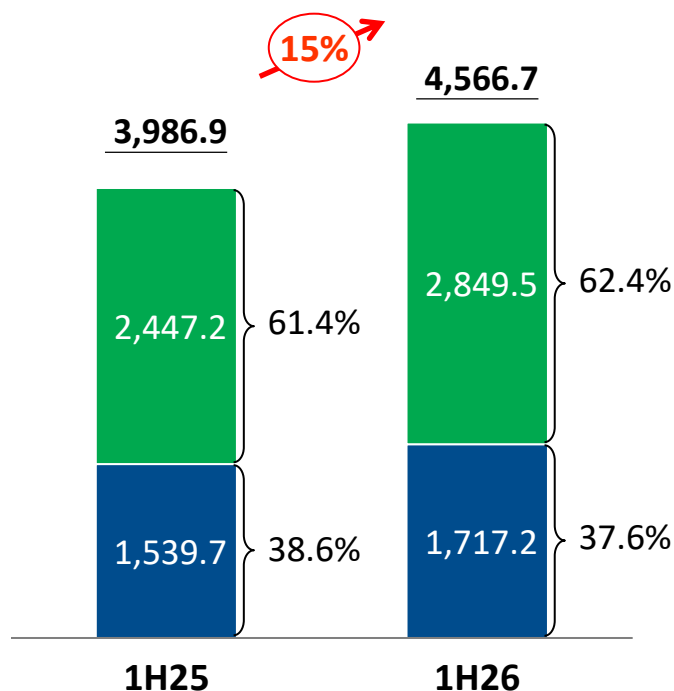


Cathay United Bank – Deposit breakdown

Deposits grew 15% YoY, with demand deposit ratio rising to 62.4%.

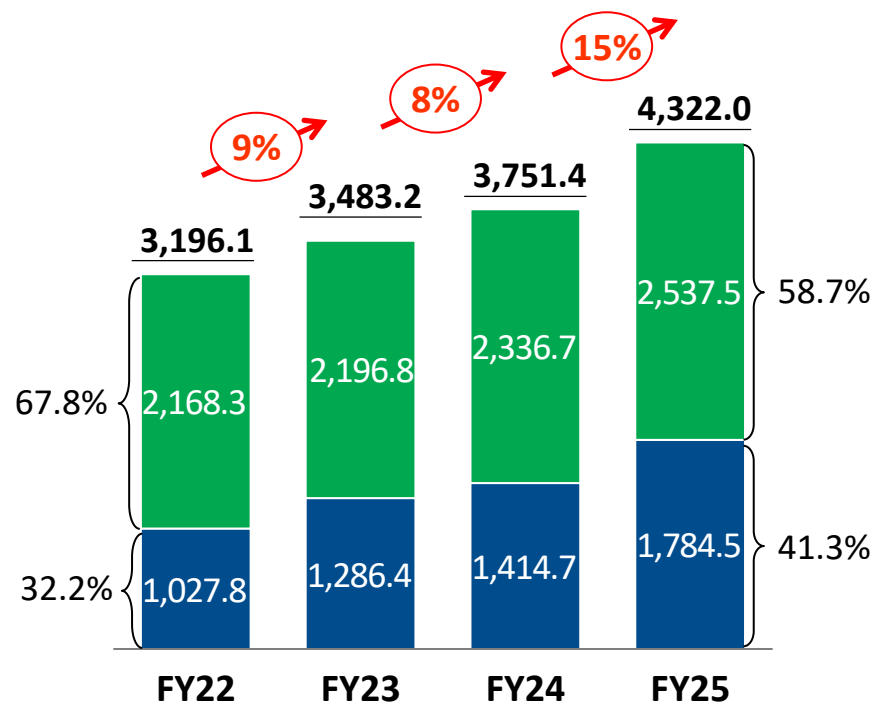
Deposit breakdown

■ Demand deposit (NT\$BN)
■ Time deposit



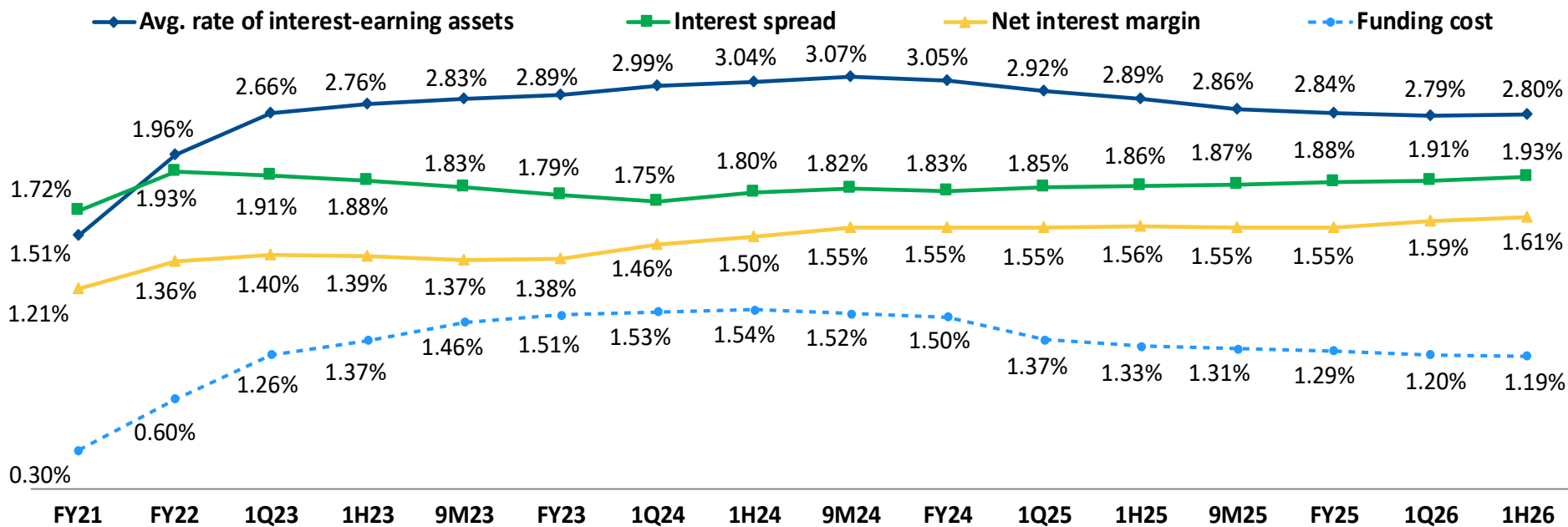
Annual deposit breakdown

■ Demand deposit (NT\$BN)
■ Time deposit



Cathay United Bank – Interest yield

- Interest spread and NIM both expanded, driven by strong FX loan growth and a higher demand deposit ratio.



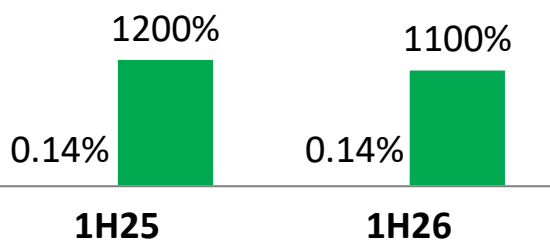
Quarterly	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26
Spread	1.91%	1.84%	1.73%	1.70%	1.75%	1.83%	1.86%	1.87%	1.85%	1.86%	1.89%	1.90%	1.91%	1.95%
NIM	1.40%	1.37%	1.36%	1.40%	1.46%	1.55%	1.61%	1.57%	1.55%	1.57%	1.54%	1.56%	1.59%	1.63%

Cathay United Bank – Credit quality

- Asset quality remained sound, with NPL at 0.14% and coverage ratio at 1100%.

NPL & coverage ratio

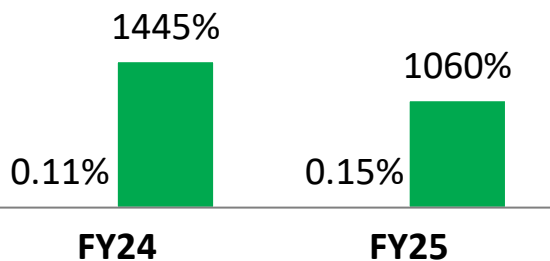
- NPL ratio
- Coverage ratio



Mortgage NPL

0.16 %

0.19 %



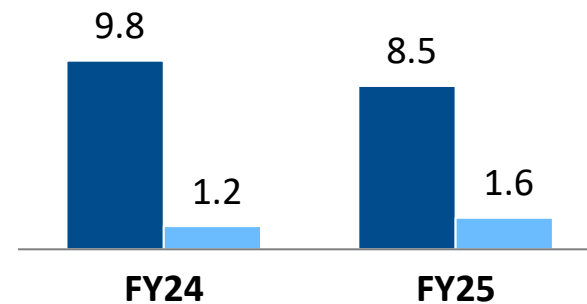
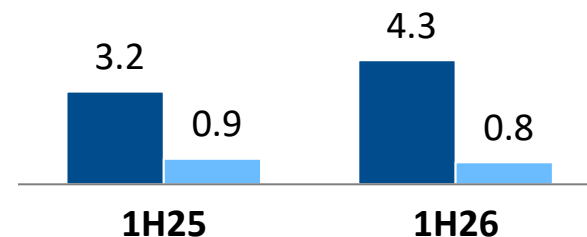
Mortgage NPL

0.11 %

0.19 %

Gross provision & recovery

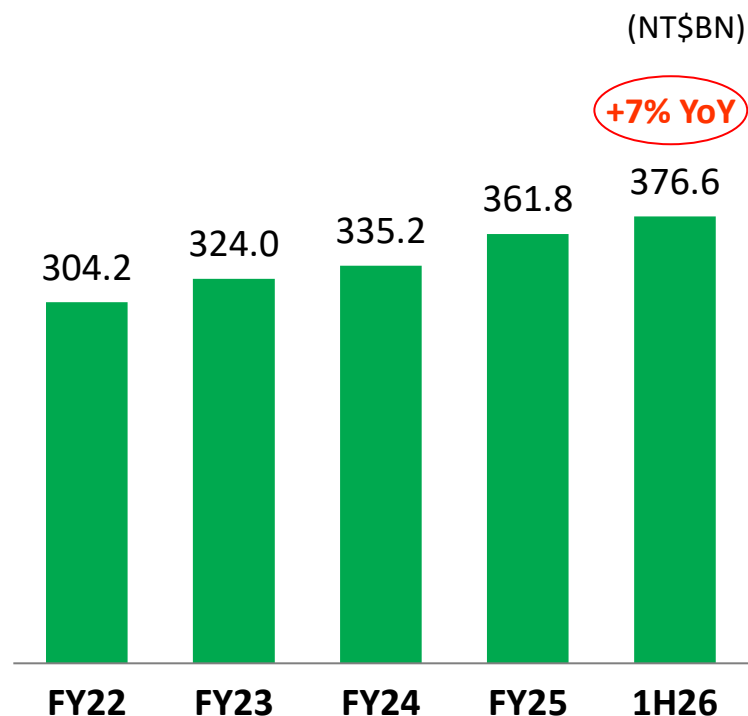
- Gross provision (NT\$BN)
- Recovery



Cathay United Bank – SME & FX loans

- SME loans grew steadily, up 7% YoY.
- FX loans grew 34% YoY, or 26% YoY excluding FX impact, driven by supply chain realignment and corporate overseas capex demand.

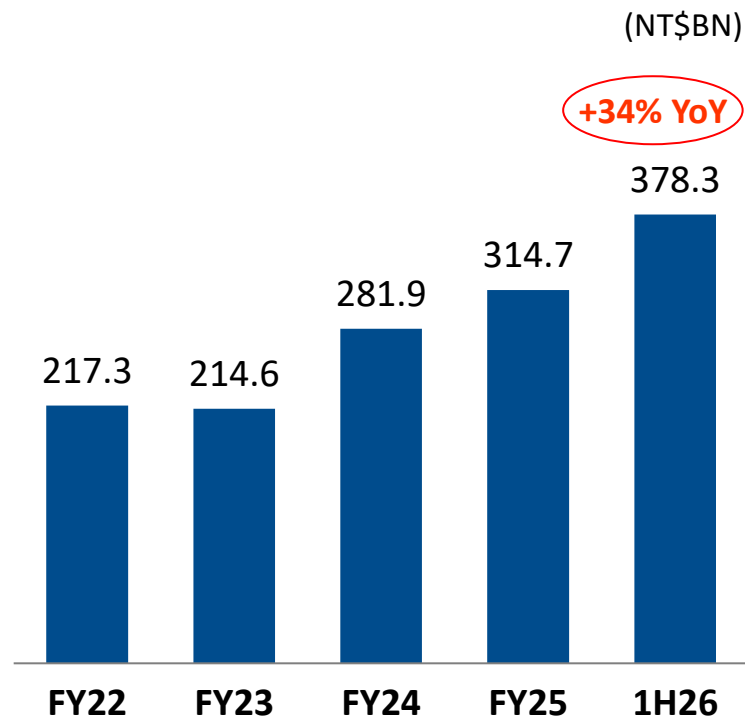
SME loans



As % of total loans

15.3% 14.5% 12.8% 12.8% 12.3%

Foreign currency loans



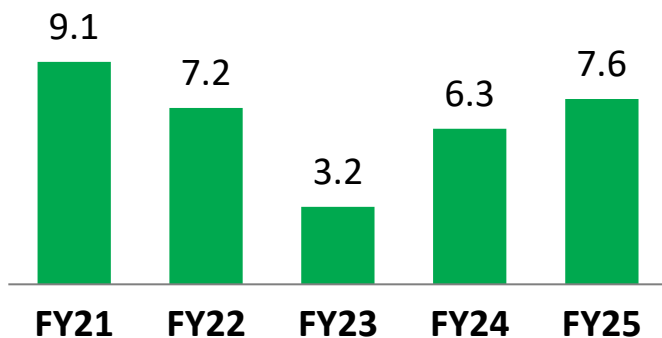
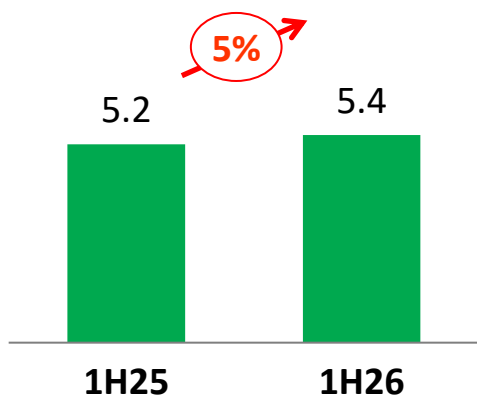
10.9% 9.6% 10.8% 11.1% 12.4%

Cathay United Bank – Offshore earnings

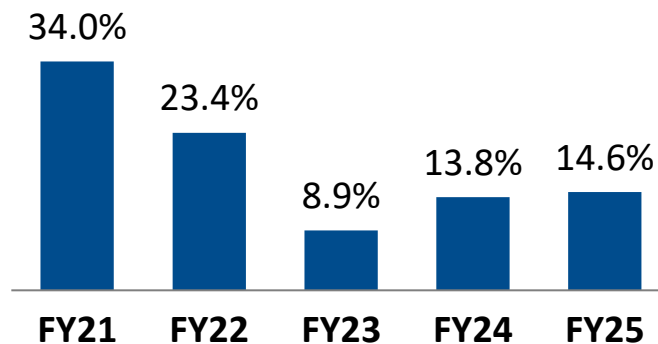
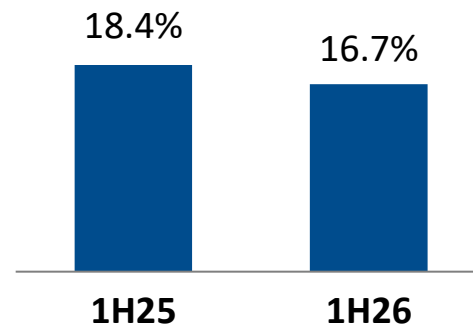
- Offshore earnings grew 5% YoY, supported by growth in deposits, loans and investment income.

Offshore earnings

(NT\$BN)



As % of CUB pre-tax profits



Cathay United Bank – Net fee income

- Net fee income rose 11% YoY, driven by strong wealth management momentum, with wealth management fees up 25% YoY.

Net fee income

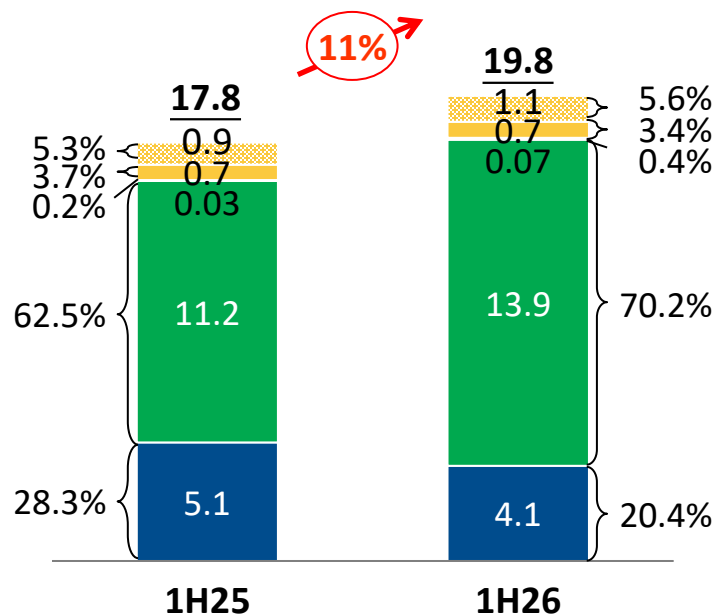
Others (NT\$BN)

Syndicated loans

FX

Wealth management

Credit card related



Annual net fee income

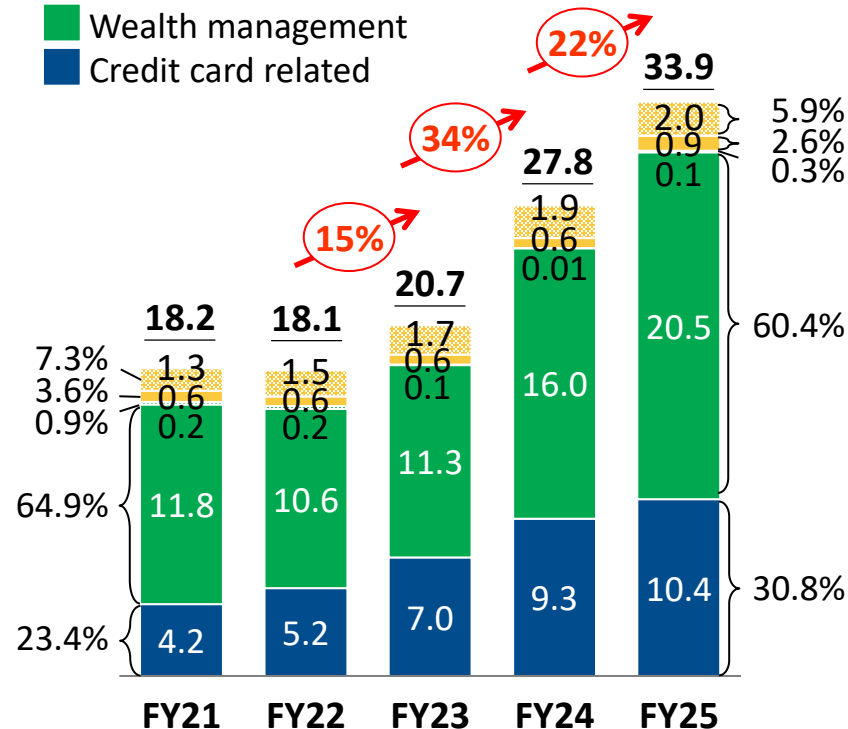
Others (NT\$BN)

Syndicated loans

FX

Wealth management

Credit card related

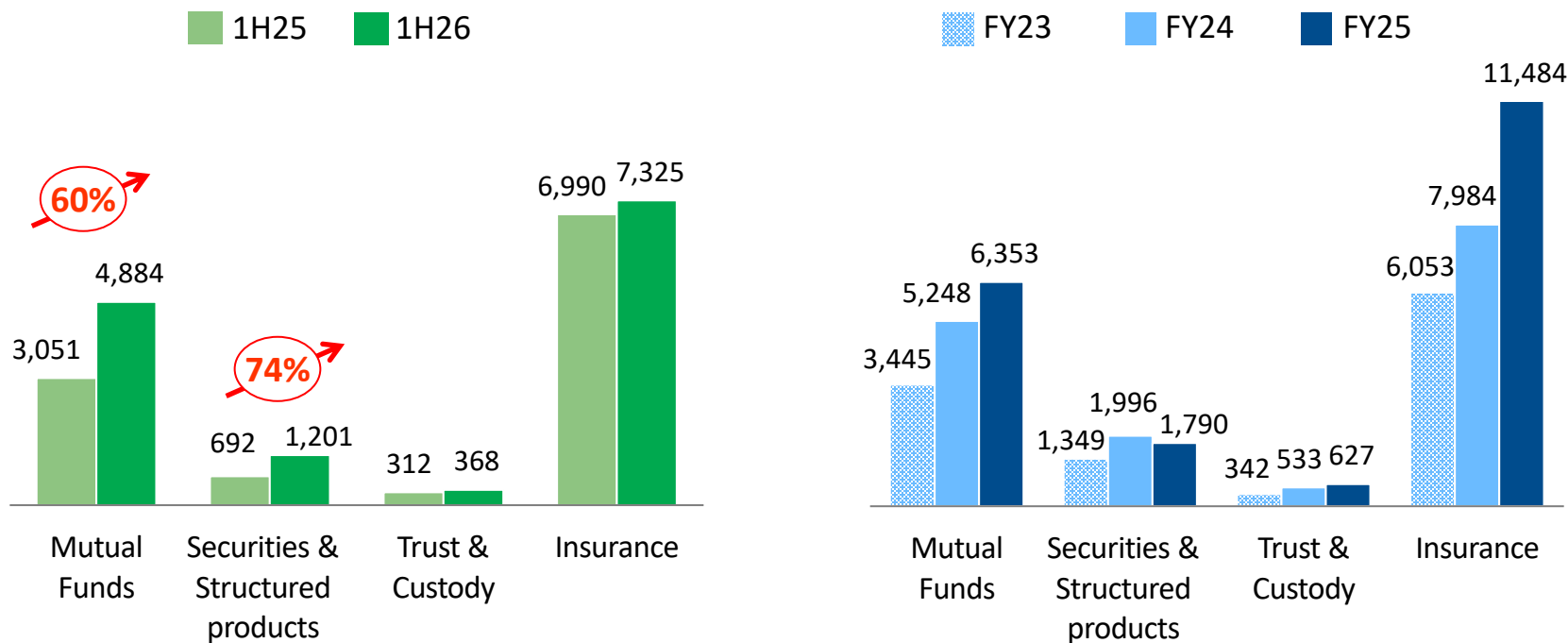


Cathay United Bank – Wealth management fees

- WM fees rose 25% YoY, driven by strong sales momentum in mutual funds, securities & structured products, along with steady growth in insurance products.
- WM customers and AUM continued to grow steadily.

Wealth management fees breakdown

(NT\$MN)	1H25	1H26	FY23	FY24	FY25
Wealth management fee income	11,152	13,917	11,344	15,963	20,483
YoY growth (%)	34.4%	24.8%	7.1%	40.7%	28.3%



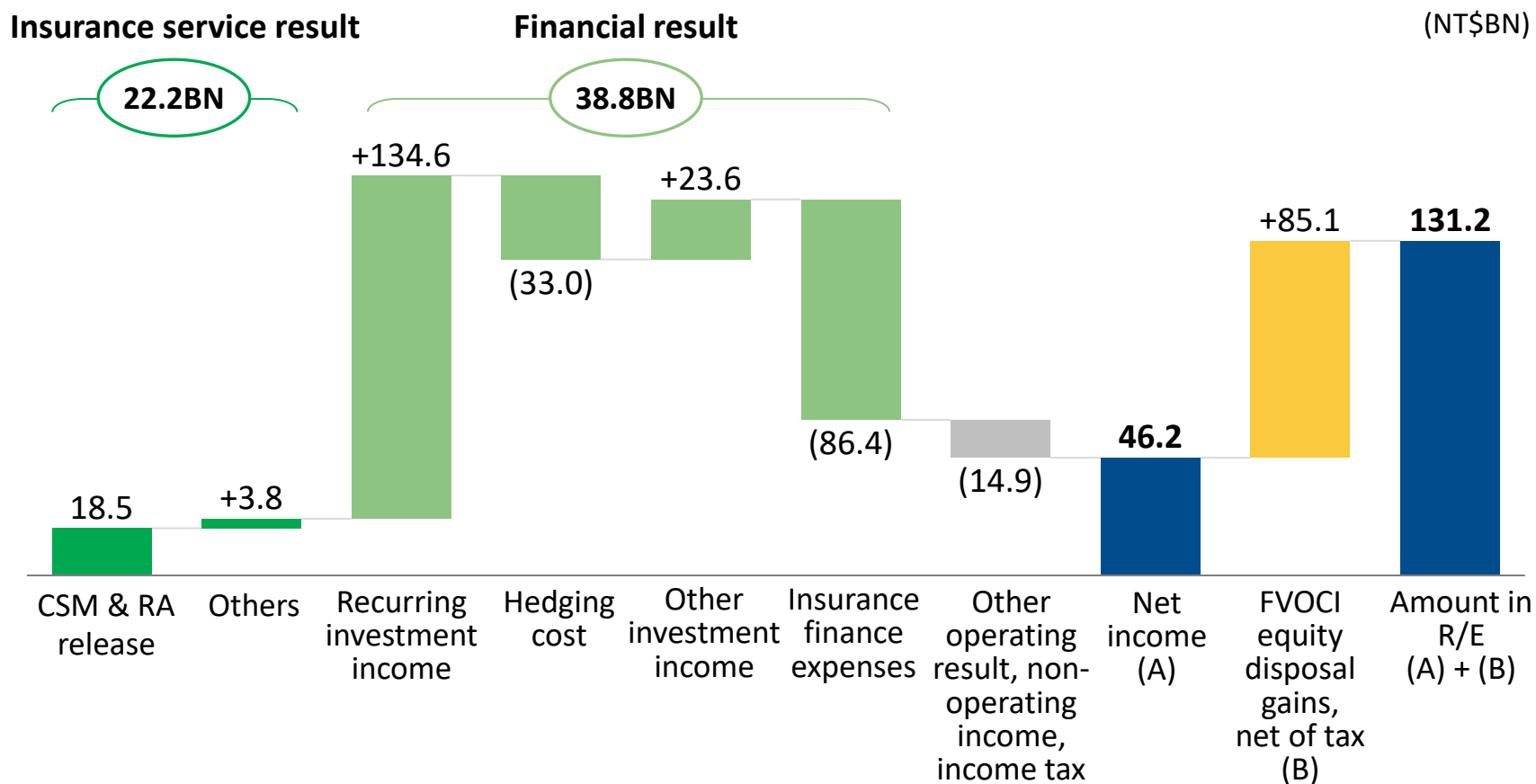
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Cathay Life – Earnings breakdown

- Steady CSM release contributed to insurance service result, while positive recurring spread supported financial result.
- Net income reached NT\$46.2bn. Net income plus after-tax FVOCI equity disposal gains recognized in retained earnings totaled NT\$131.2bn, surpassing the FY25 level and setting a new all-time high.

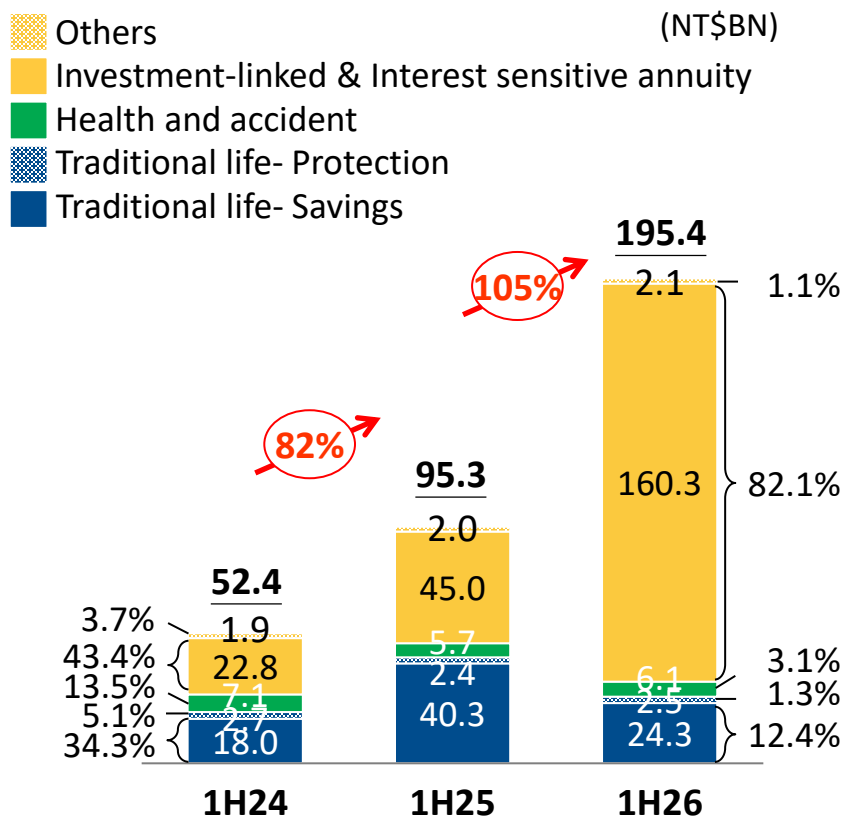
Earnings breakdown



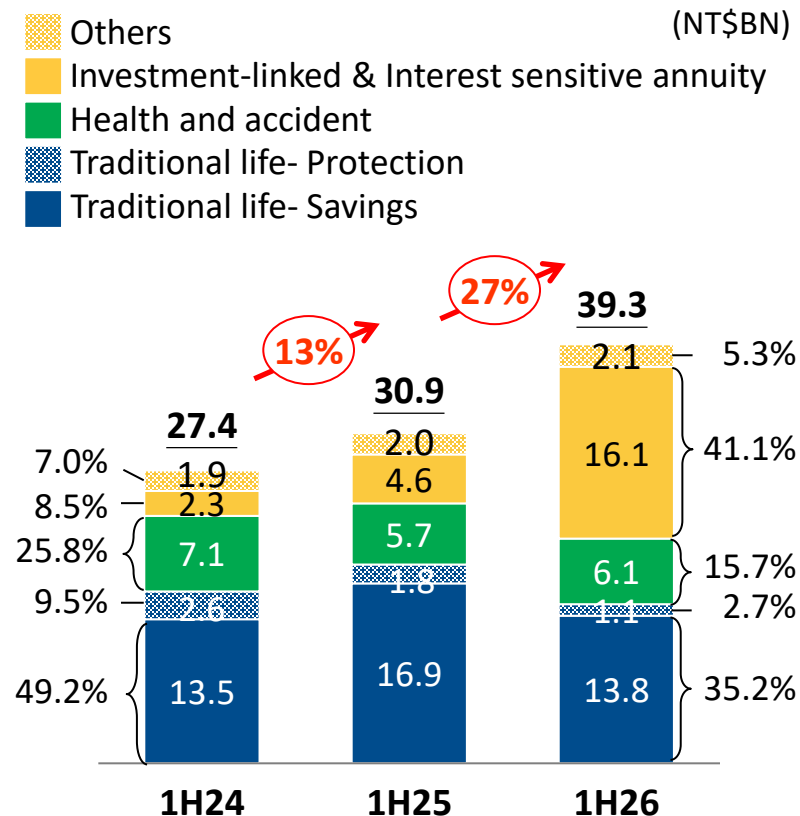
Cathay Life – FYP & APE

- FYP and APE rose 105% and 27%, respectively, driven by continued strong sales momentum in investment-linked products amid strong equity markets.
- FYP from high-CSM-contribution health and accident products increased YoY.

First Year Premium



Annualized FYP (APE)



FX policies %
(excl. Investment-linked)

55% 76% 69%

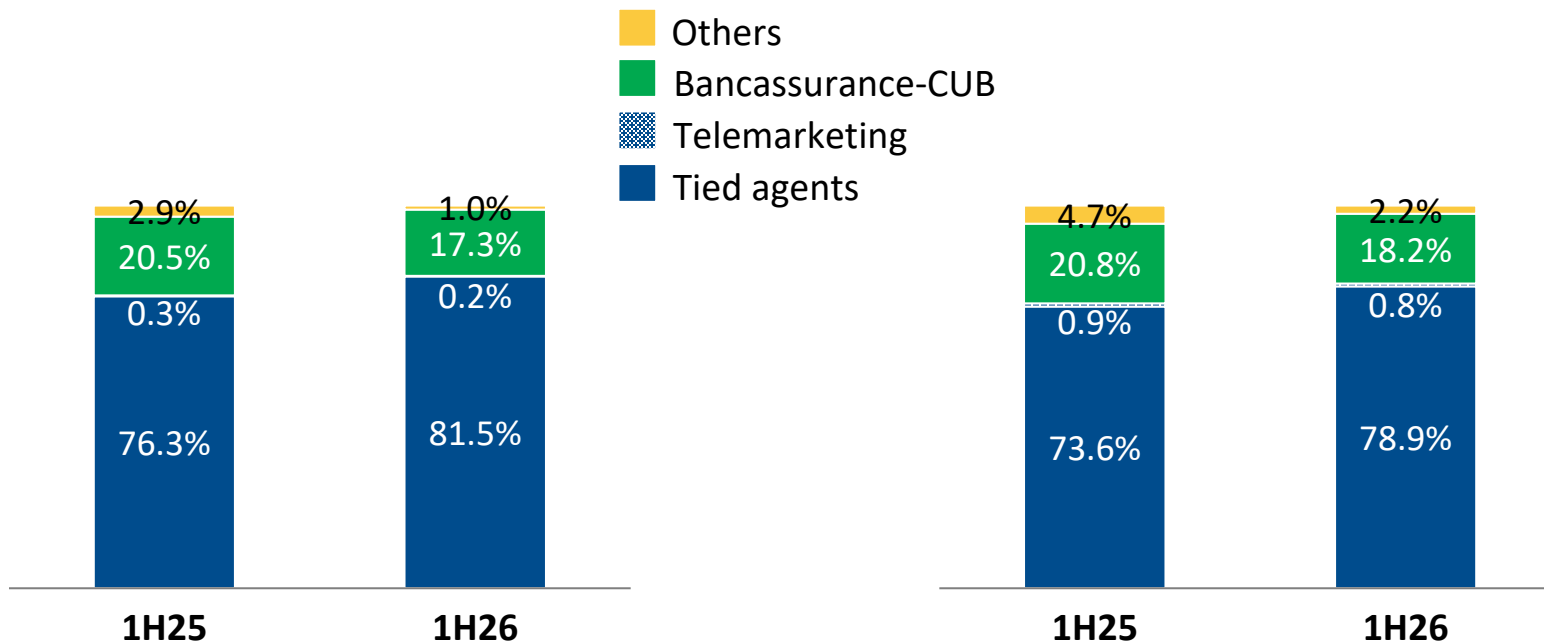
Note: Annualized FYP (APE) = 10% x single-paid FYP + 20% x 2-yr-paid FYP + ... + 50% x 5-yr-paid FYP + 100% x 6-yr and above payment term FYP

Cathay Life – Distribution channels & persistency ratios

- Premiums were mainly generated through Cathay Life tied agents and Cathay United Bank. The group's strong distribution capabilities provided solid support to premiums and new business CSM.
- Persistency ratios remained high, exceeding 95%.

First Year Premium

Annualized FYP (APE)



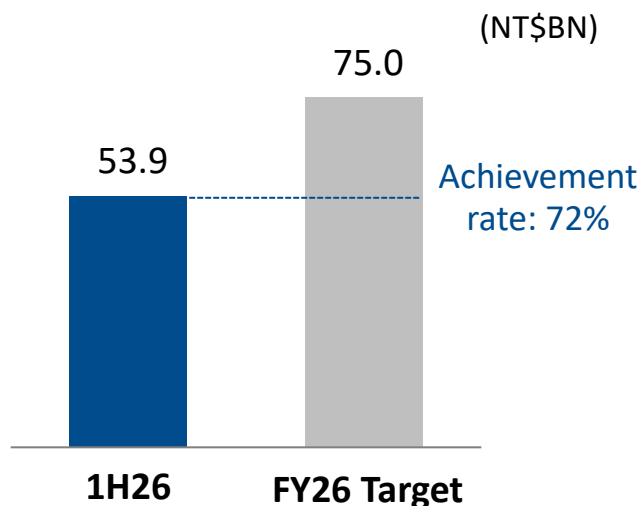
Persistency ratios	1H25	1H26
13 months	97.6%	97.7%
25 months	95.5%	95.1%

Cathay Life – New business CSM

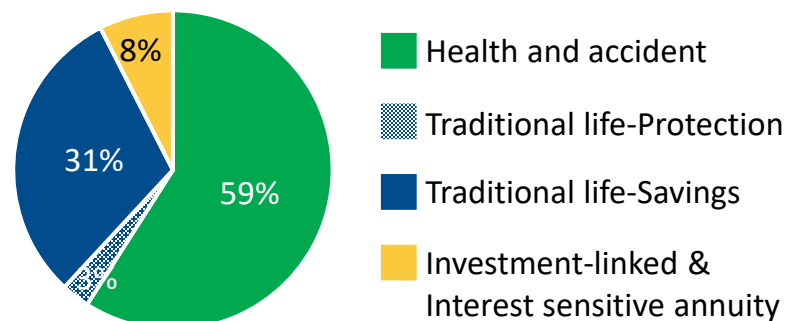
- New business CSM reached NT\$53.9bn, with health and accident products contributing nearly 60% and nearly 90% generated through tied agents and telemarketing.

New business CSM

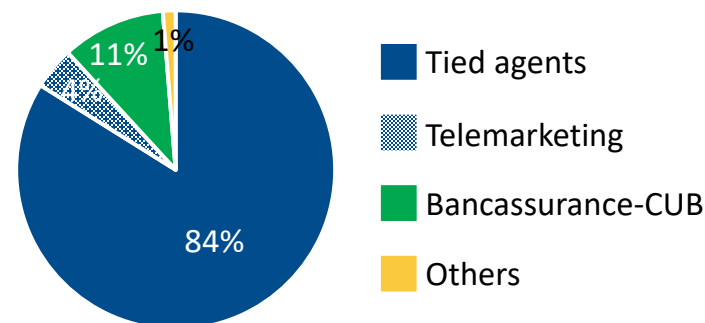
CSM margin	1H26
CSM/FYP*	64%
CSM/APE*	208%



New business CSM by product



New business CSM by channel

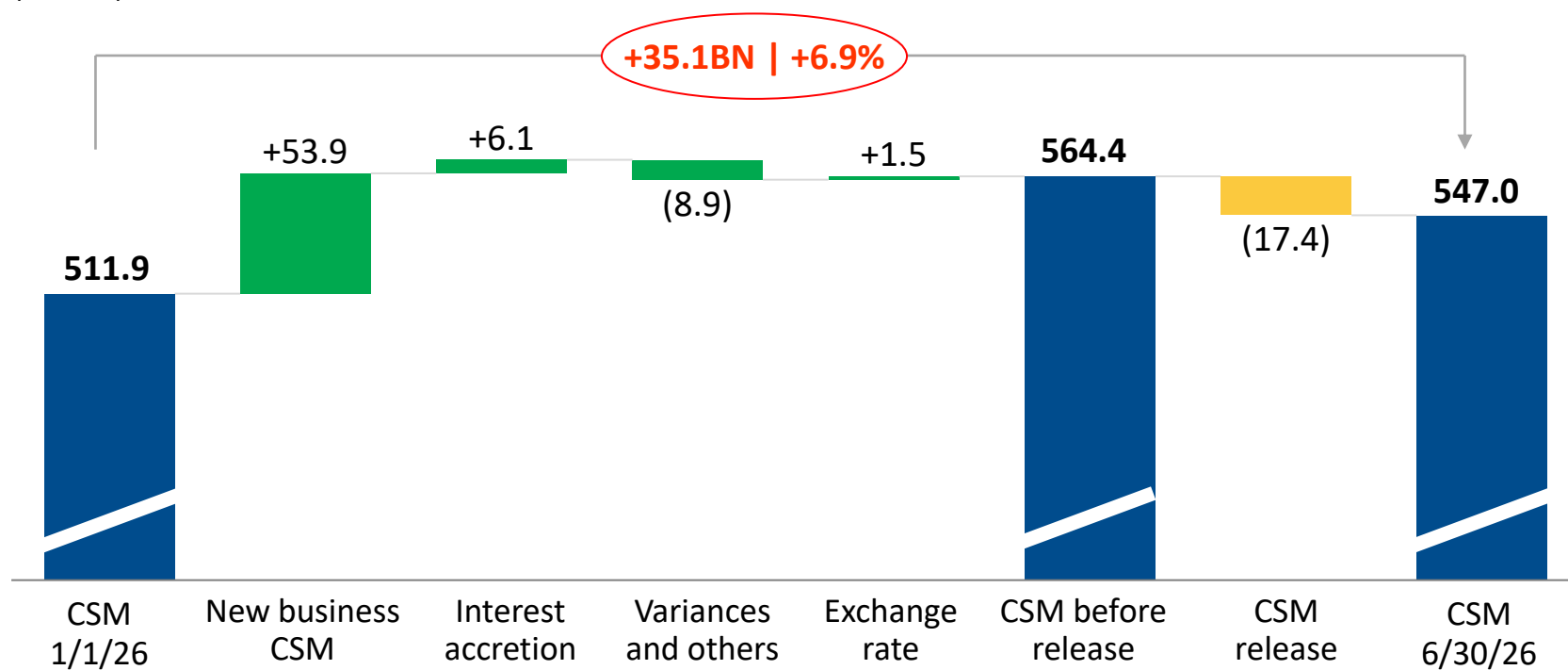


Cathay Life – CSM movement

- CSM balance reached NT\$547.0bn, up NT\$35.1bn, or 6.9%, YTD, mainly driven by new business CSM.
- CSM release was NT\$17.4bn, with an annualized release rate of approximately 6%, providing stable support to insurance service result.

CSM movement

(NT\$BN)

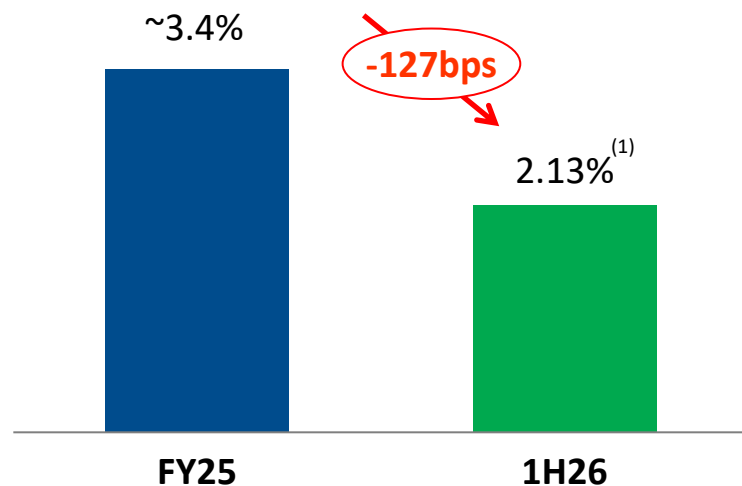


Cathay Life – Liability interest cost & break-even asset yield

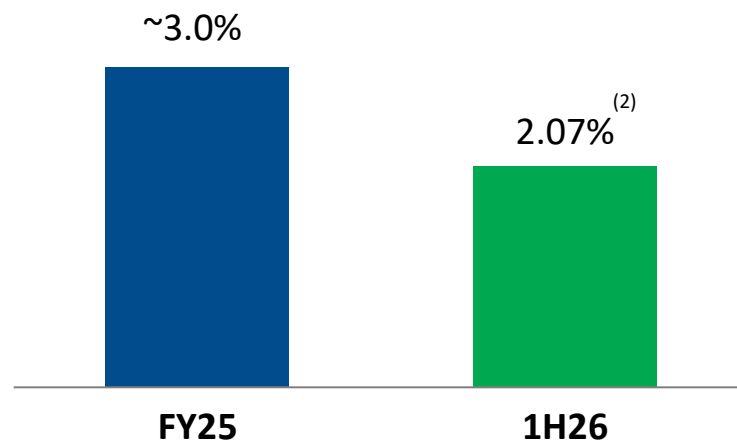
- Following IFRS 17 adoption in 2026, 1H26 liability interest cost and break-even asset yield declined significantly, reflecting market-based discount rates for insurance liabilities.

Liability interest cost

(Asset-based)



Break-even asset yield



Cathay Life – Investment portfolio

(NT\$BN)	FY23	FY24	FY25			1H26		
Total investments⁽¹⁾	7,638.1	7,990.6	8,083.8			8,017.3		
	Weight	Weight	Weight	Amount	Return	Weight	Amount	Return
Cash & Cash equivalents	2.6%	1.9%	2.3%	187	2.3%	3.4%	273	2.0%
Equity - Domestic	6.6%	7.2%	6.7%	544	16.1%	8.3%	669	39.0% ⁽⁵⁾
Equity - International ⁽²⁾	5.6%	5.5%	5.2%	417	12.0%	5.5%	443	12.6% ⁽⁵⁾
Bond - Domestic ⁽³⁾	8.1%	8.3%	9.1%	734	5.3%	9.3%	747	5.0%
Bond - International ⁽²⁾	61.8%	62.0%	61.5%	4,971	4.0%	59.7%	4,788	4.2%
Mortgage & Secured loans	3.0%	2.9%	3.2%	255	2.0%	3.5%	282	2.1%
Policy loans	2.2%	2.1%	2.1%	166	5.4%	0.1%	4 ⁽⁴⁾	3.7%
Real estate	7.5%	7.5%	7.7%	622	3.9%	7.9%	634	4.1%
Others	2.5%	2.6%	2.3%	189	1.2%	2.2%	177	2.0%

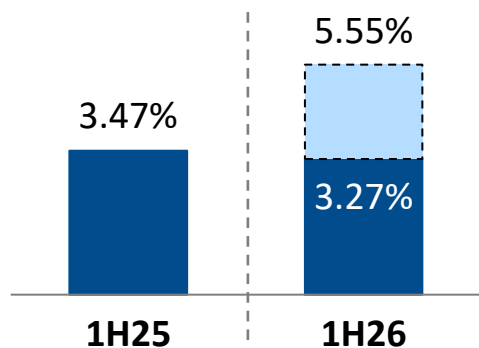
Note: (1) Total investments exclude separate account assets. (2) Returns on international equities and international bonds are presented on a pre-hedging basis. (3) Includes TWD-denominated international bond ETFs. (4) Policy loans under investment contracts. (5) 1H26 equity investment returns include FVOCI equity disposal gains.

Cathay Life – Investment performance

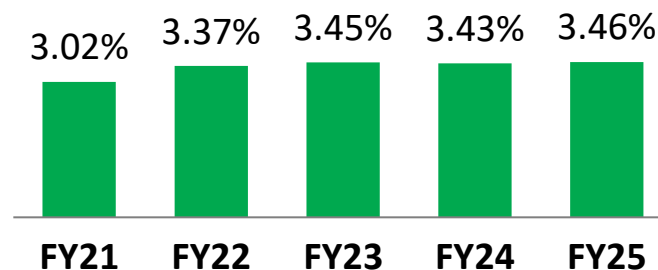
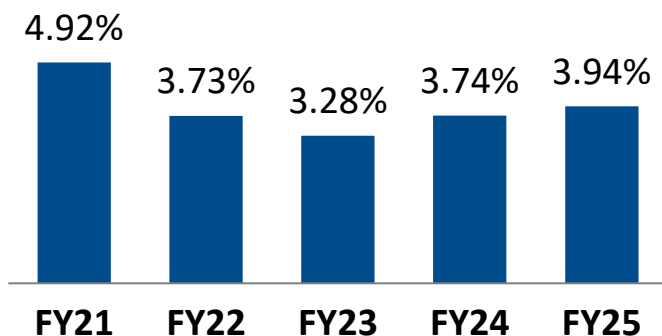
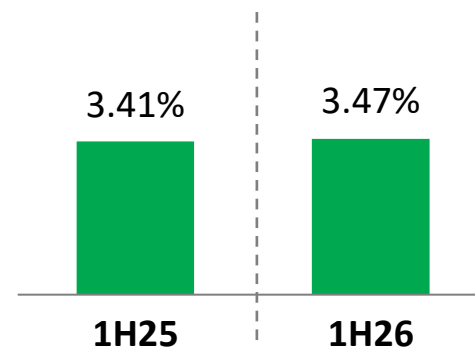
- 1H26 after-hedging investment yield, including FVOCI equity disposal gains, reached 5.55%, reflecting capital gains realized amid strong equity markets.
- 1H26 pre-hedging recurring yield was 3.47%.

After-hedging investment yield

FVOCI equity disposal gains



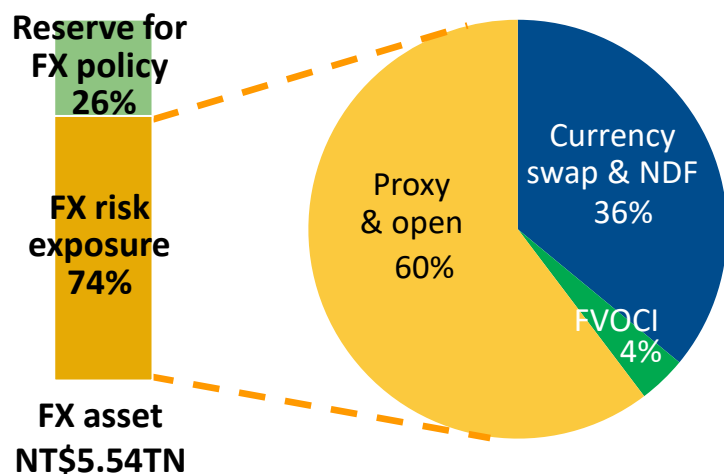
Pre-hedging recurring yield



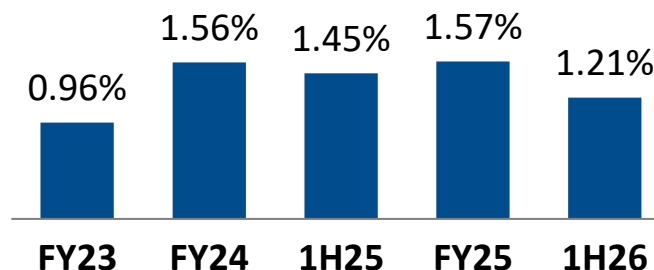
Cathay Life – FX hedging strategy

- Proxy & open positions were mainly AC bond exposures. FX gains/losses volatility declined significantly following the new AC FX accounting treatment from 1M26.
- 1H26 hedging cost was 1.21%; FX volatility reserve increased by NT\$17.1bn YTD to NT\$130.9bn.

FX asset hedging structure

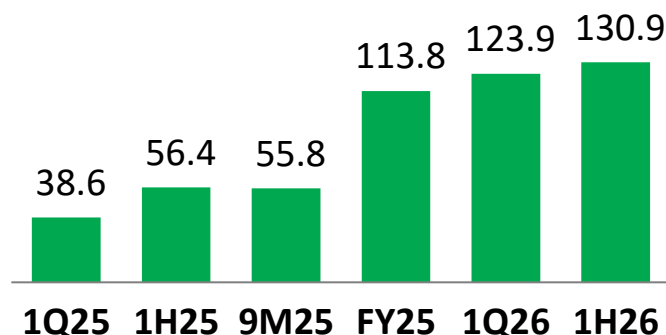


Hedging cost



FX volatility reserve

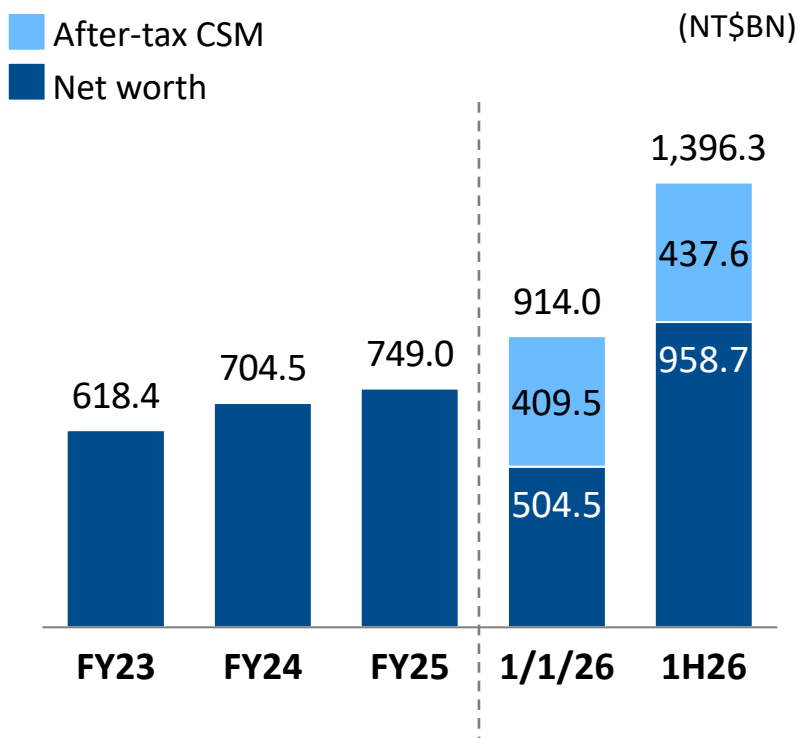
(NT\$BN)



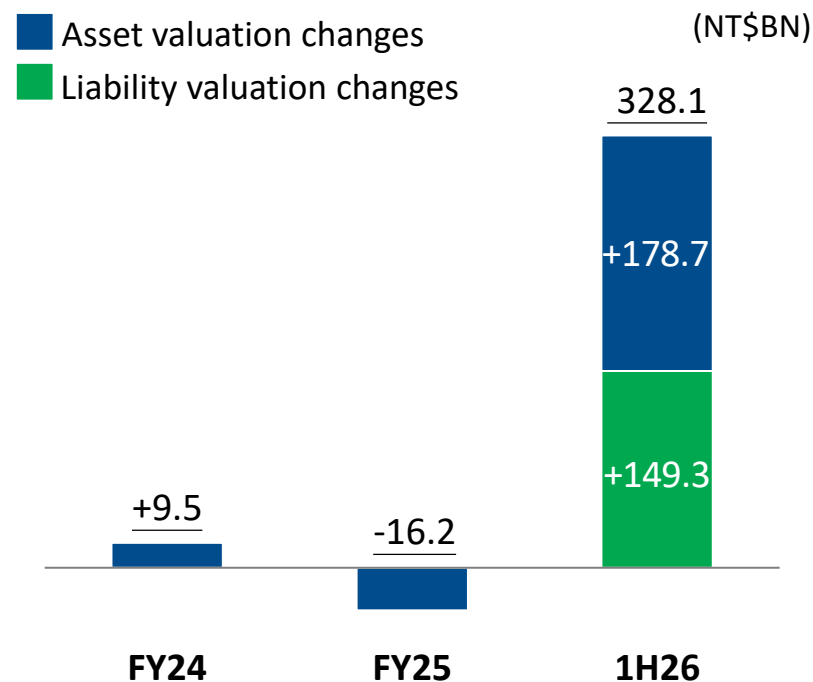
Cathay Life – Net worth & OCI asset/liability valuation changes

- 1H26 net worth reached a record high of NT\$958.7bn, up NT\$454.2bn YTD, supported by earnings contribution, equity disposal gains and OCI asset/liability valuation gains.
- OCI asset/liability valuations increased by NT\$328.1bn YTD, mainly reflecting higher asset valuations amid strong equity markets and liability valuation gains from rising Taiwan interest rates.
- E/A ratio and adjusted E/A ratio reached 11.8% and 17.1%, respectively, indicating a strong capital position.

Net worth & adjusted net worth



OCI asset/liability valuation changes



Cathay Life – Key operating & financial metrics

(NT\$)

Business performance	FYP 195.4BN (+105% YoY)	New business CSM 53.9BN	CSM balance 547.0BN (+35.1BN YTD)
Spread & investment yield	Recurring yield 3.47%	Hedging cost 1.21%	Liability interest cost 2.13%
Financial performance	Insurance service result 22.2BN	Financial result 38.8BN	Net income/ Amount in R/E* 46.2BN / 131.2BN
Net worth	Net worth 958.7BN (+454BN YTD)	Adjusted net worth 1,396.3BN (+482BN YTD)	E/A ratio/ Adjusted E/A ratio 11.8% / 17.1%

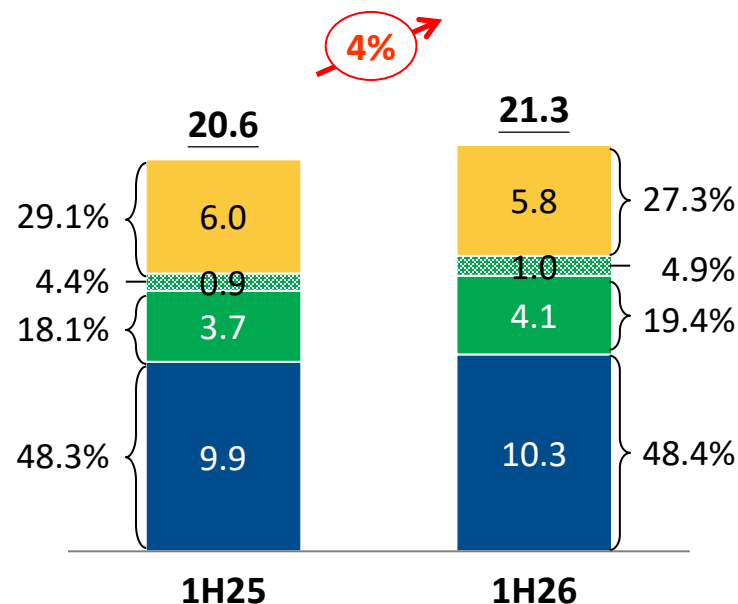
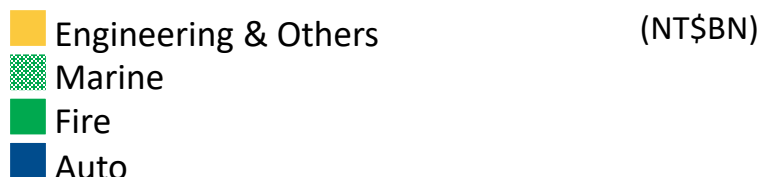
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 - Cathay SITE
 - Cathay Securities
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- ❑ **Cathay's sustainability efforts**
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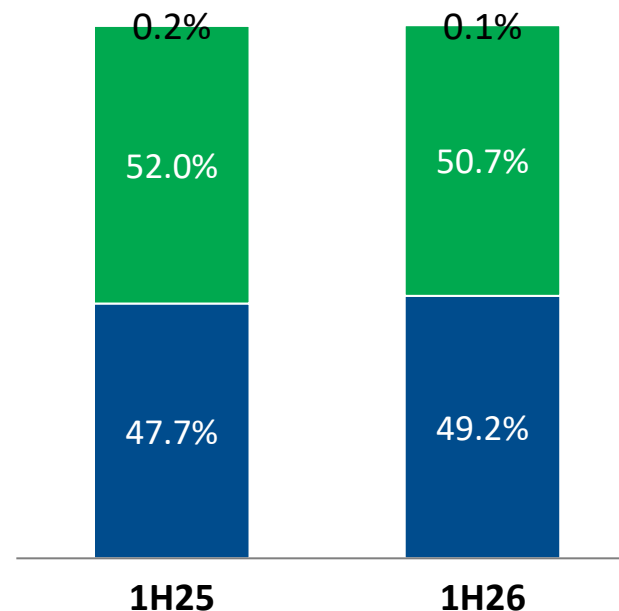
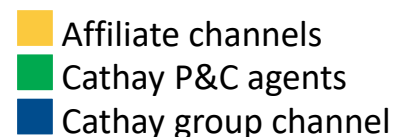
Cathay Century – Written premium & distribution channels

- Written premiums grew steadily, with market share at 13.2%, ranking No. 2 in the industry.
- Benefiting from strong group cross-selling synergies, nearly 50% of premiums were generated through group channels.

Written premium



Distribution channels



Market share

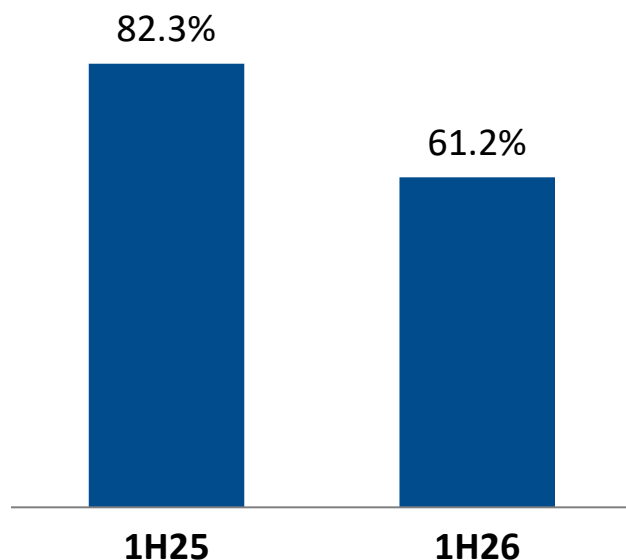
13.5%

13.2%

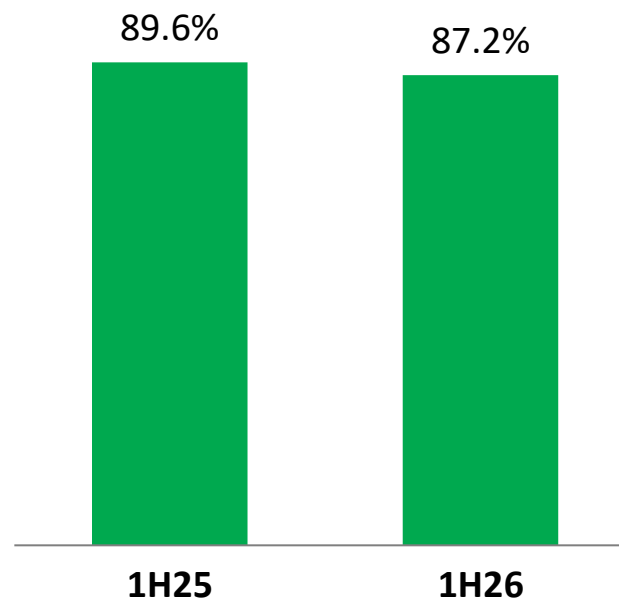
Cathay Century – Combined ratios

- Retained combined ratio improved YoY as expanded underwriting capacity drove higher insurance revenue, while loss ratios remained stable.

Combined ratio



Retained combined ratio

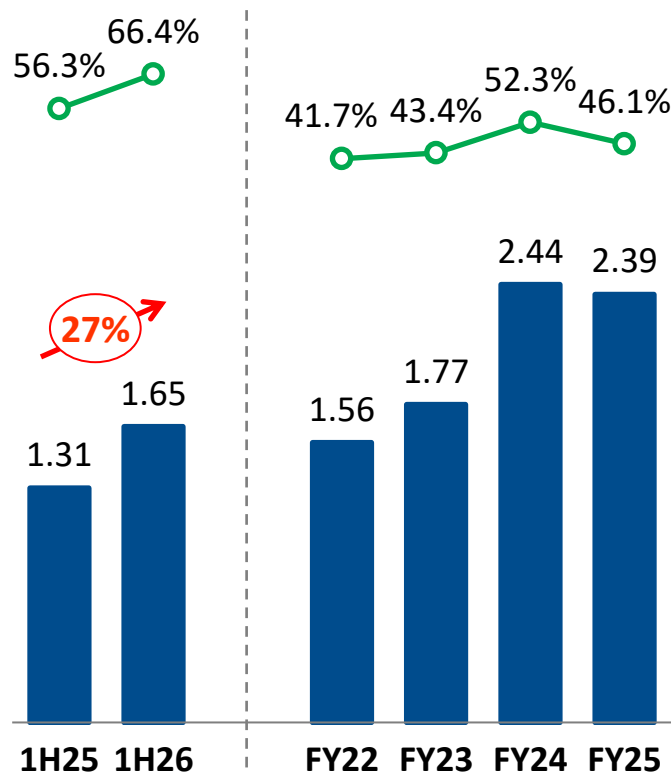


Cathay SITE – Business overview

- █ Solid AUM growth drove net income to a record high, up 27% YoY; ROE remained strong.
- █ Fund AUM and beneficiaries continued to grow.

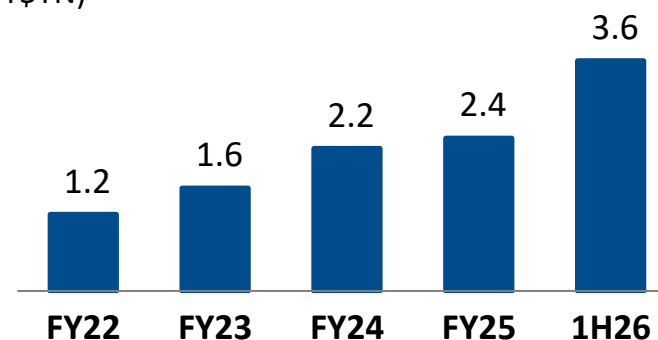
Net income & ROE

■ Net income (NT\$BN) —○— ROE



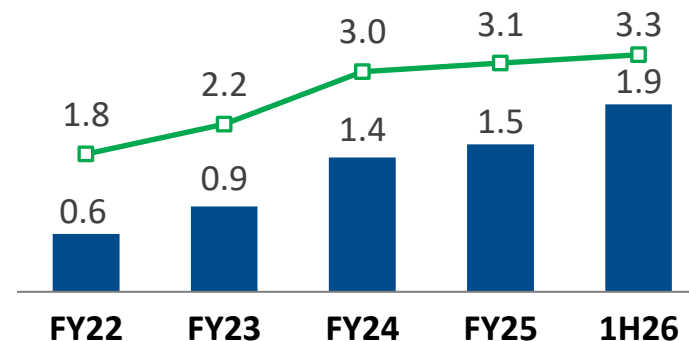
AUM growth

(NT\$TN)



Fund business growth

■ Fund AUM(NT\$TN) —□— Beneficiaries(MN)

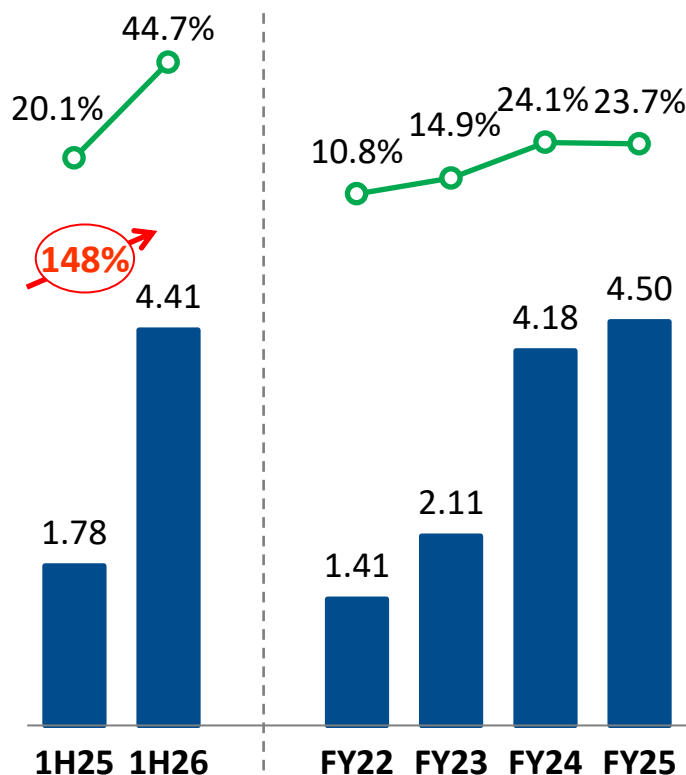


Cathay Securities – Business overview

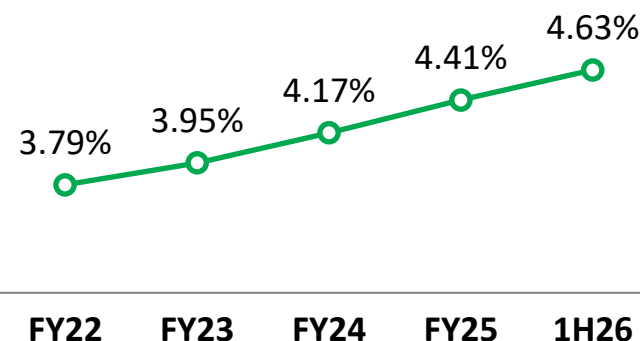
- Net income reached a first-half record high, up 148% YoY, amid active trading in Taiwan equity markets.
- Domestic brokerage market share continued to grow, while sub-brokerage trading value maintained solid growth.

Net income & ROE

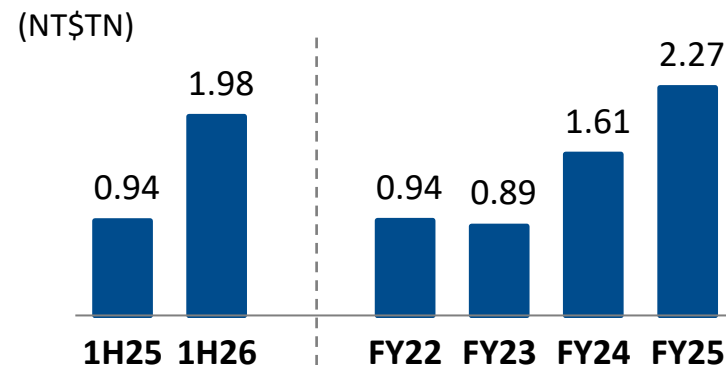
Net income (NT\$BN) — ROE



Domestic brokerage market share



Sub-brokerage trading value

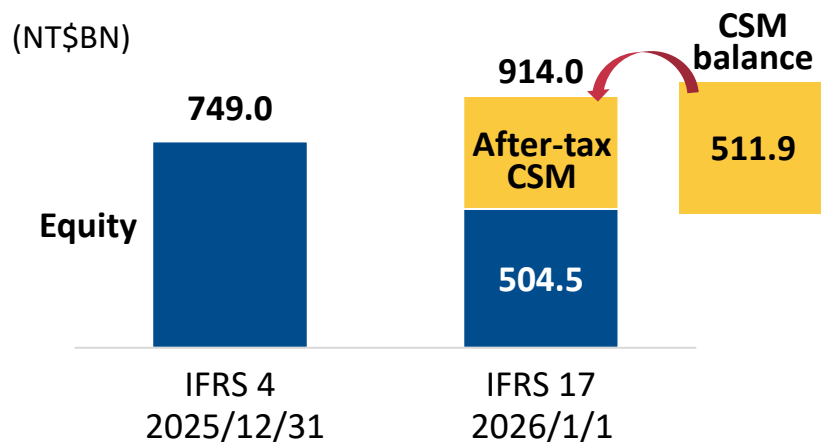


Agenda

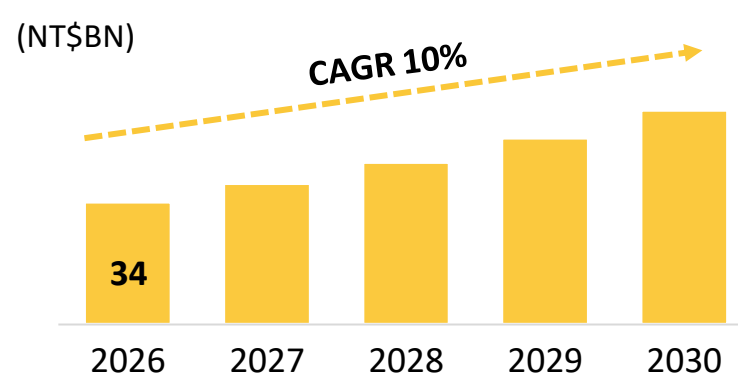
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Cathay Life – IFRS 17 transition highlights

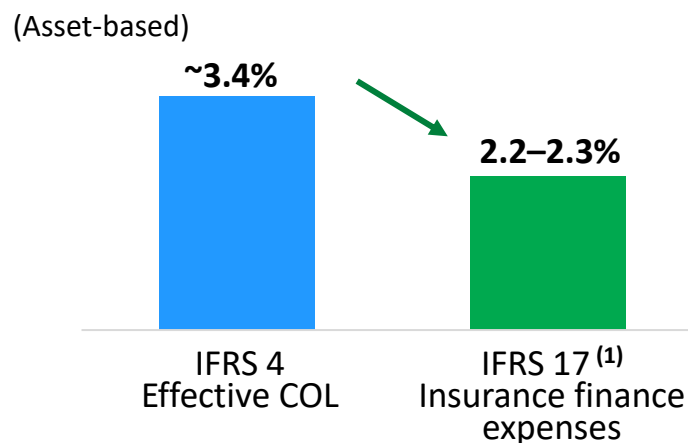
One-off equity impact; adjusted equity (incl. after-tax CSM) exceeds IFRS 4 equity



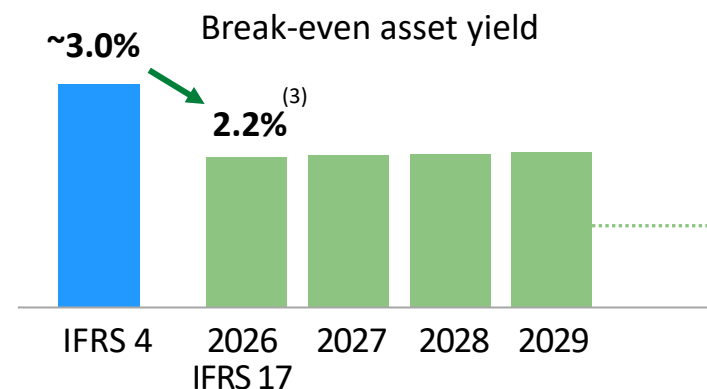
Growing CSM⁽²⁾ release supports future earnings



Lower liability costs support a stable positive spread

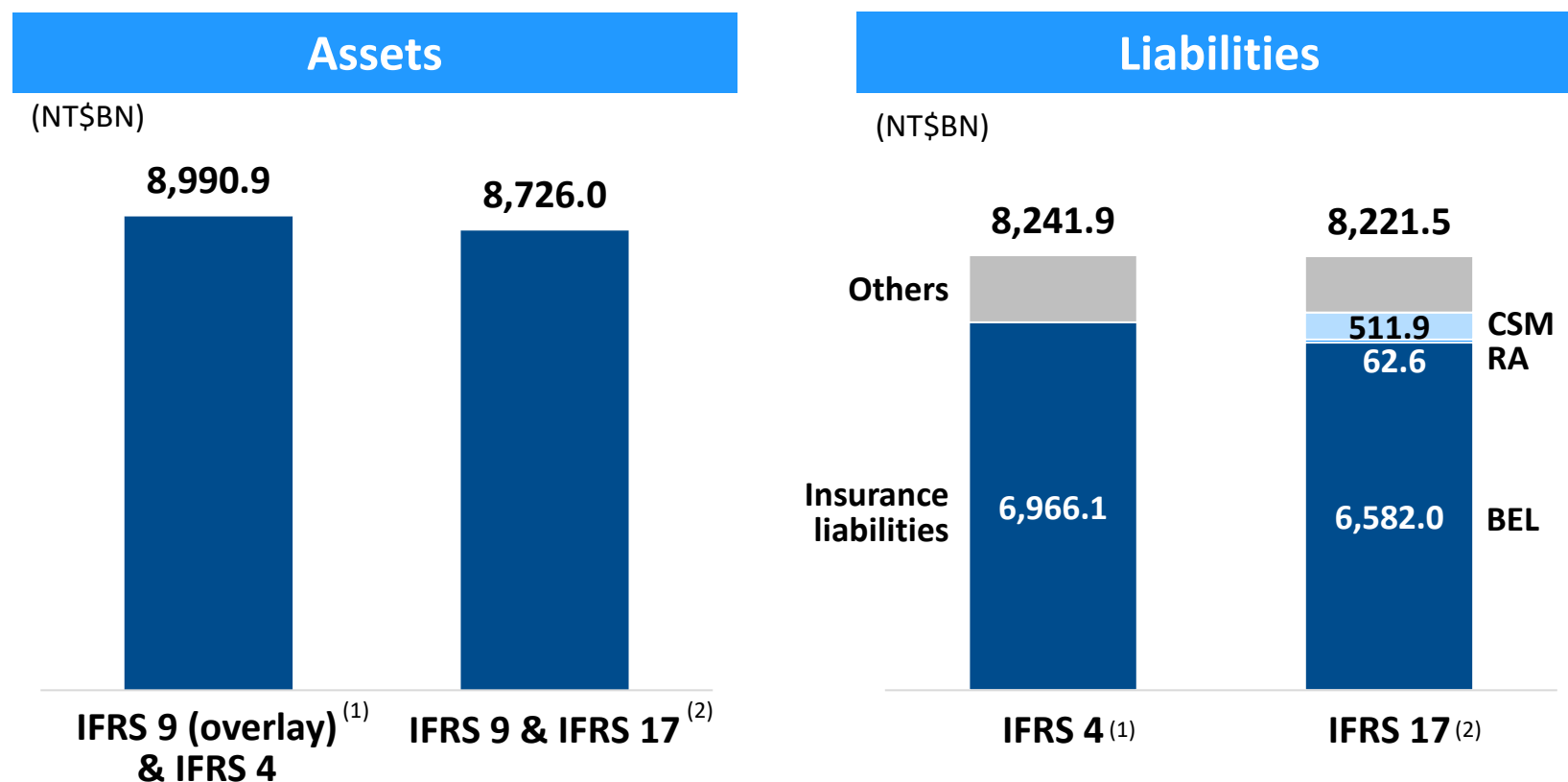


Increasing CSM release helps stabilize break-even asset yield



Key balance sheet changes at transition

- Insurance liabilities are measured using market-based discount rates. Future profits from insurance contracts are recognized as CSM within liabilities, amounting to NT\$511.9bn, and are released to P&L over the coverage period.
- Changes in assets mainly reflect financial asset redesignation and the reclassification of policy loans into insurance liabilities.



Note: (1) As of 2025/12/31; (2) 2026/1/1

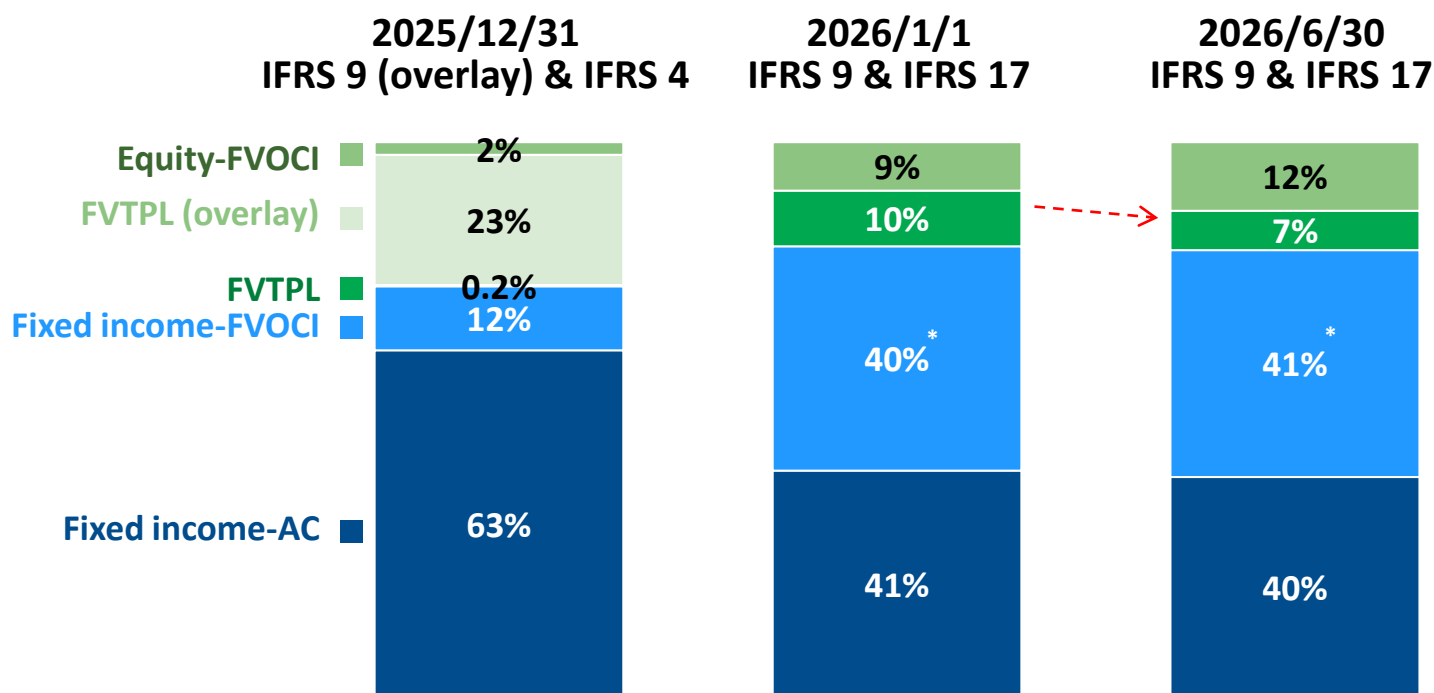
BEL (Best Estimate Liability): Present value of future fulfillment cash flows, based on current market interest rates and current estimates.

RA (Risk Adjustment): Compensation for bearing uncertainty arising from non-financial risks in insurance contracts.

Financial asset redesignation to align with liabilities & ALM

- Financial assets were redesignated to align with liabilities, considering NTD-USD interest rate dynamics.
 - USD liability portfolio: USD assets aligned under ALM, with the majority classified as FVOCI.
 - TWD liability portfolio: certain fixed-income assets remained at AC to mitigate equity volatility.
- FVTPL equity previously under the overlay approach were redesignated to FVOCI to reduce earnings volatility.
- Selective redesignation to FVTPL for portfolio repositioning, followed by redeployment into higher-quality assets to enhance recurring income and capital efficiency.

Financial asset redesignation

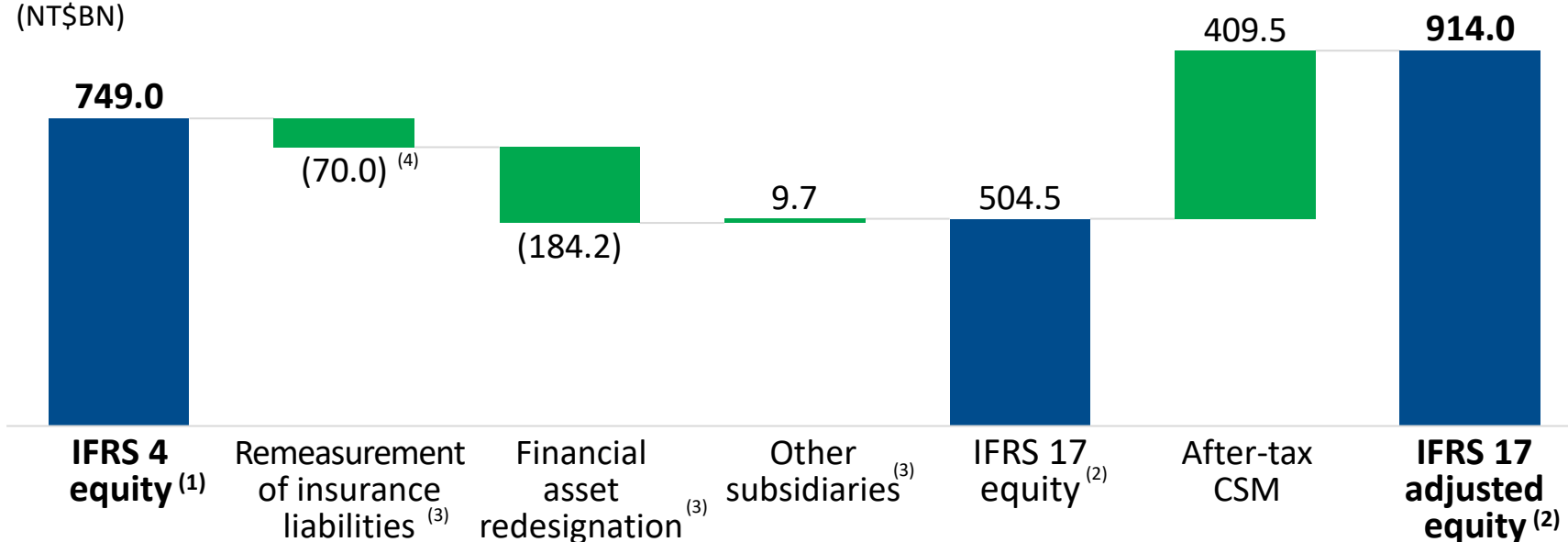


Adjusted equity better reflects economic value

- ❑ The one-off equity impact mainly reflects the remeasurement of NTD high-guaranteed-rate policies using current market interest rates.
- ❑ CSM represents future insurance profits. Adjusted equity (incl. after-tax CSM) better reflects economic value.
- ❑ Adjusted equity totals NT\$914.0bn, exceeding the IFRS 4 level.

Changes in equity at IFRS 17 transition

(NT\$BN)



E/A ratio 9.4%

6.8%

11.9%

IFRS 17 enhances earnings transparency and predictability

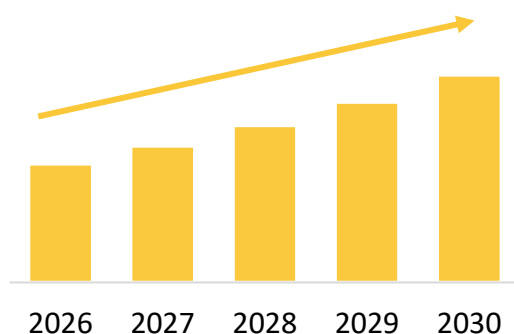
- ❑ CSM release becomes a key driver of earnings.
- ❑ Liability interest costs (insurance finance expenses) decline to ~2.2–2.3% (asset-based), supporting a positive spread.
- ❑ FVOCI equity realized gains are recognized in retained earnings, continuing to support dividend capacity.
- ❑ Overall earnings predictability and stability improve under IFRS 17.

IFRS 9 (Overlay) & IFRS 4		IFRS 9 & IFRS 17		
Revenues	- Premium income - Investment income (incl. realized gains of equity investment w/overlay)	Insurance service result	- CSM & risk adjustment(RA) release - Expected claims and expenses paid - Actual claims and expenses paid	1 CSM recognized as profit over the contract coverage period
Expenses	- Incurred claims - Changes in insurance policy reserves - Expenses	Financial result	- Investment income (net of hedging cost) - Insurance finance expenses	2 Interest spread
		Other operating result	- Other income - Other expenses	3 ILP fee income, indirect expenses, and mortality–interest spread offset reserve
Net income		Net income		
OCI	Changes in FVOCI assets	OCI	- Effect of changes in discount rates on insurance liabilities - Changes in FVOCI assets	4 Changes in financial assets and discount rate effects on insurance liabilities
		Retained earnings		5 Net income and FVOCI equity realized gains

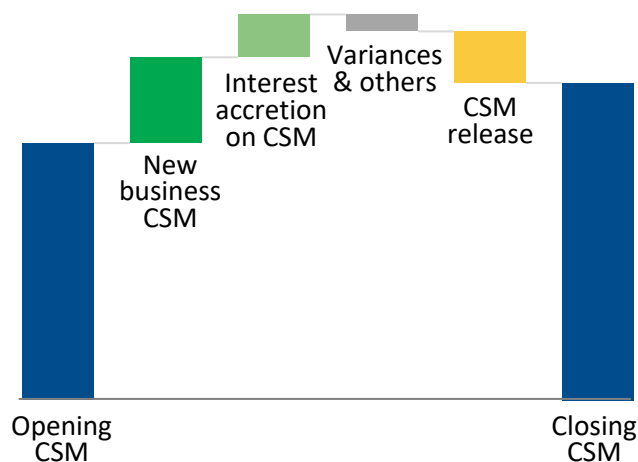
CSM contribution to earnings increase over time

- Strong new business CSM generation supports earnings and capital strength.
- CSM balance grows as new business CSM generation exceeds CSM release.
- CSM contribution to earnings increases over time.

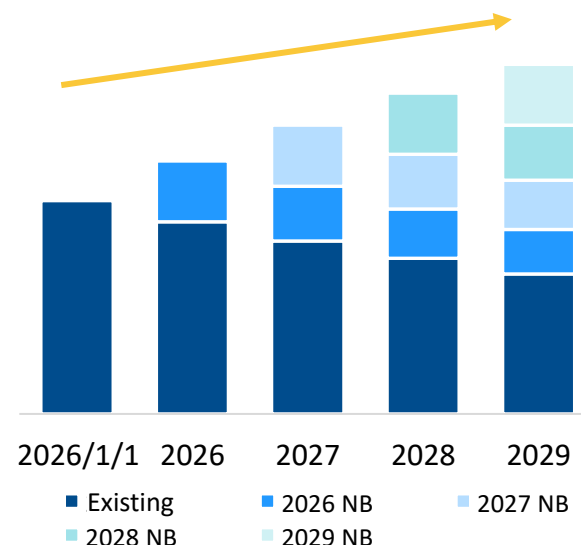
Illustrative underwriting profit*
(% of earnings)



Illustrative CSM movement

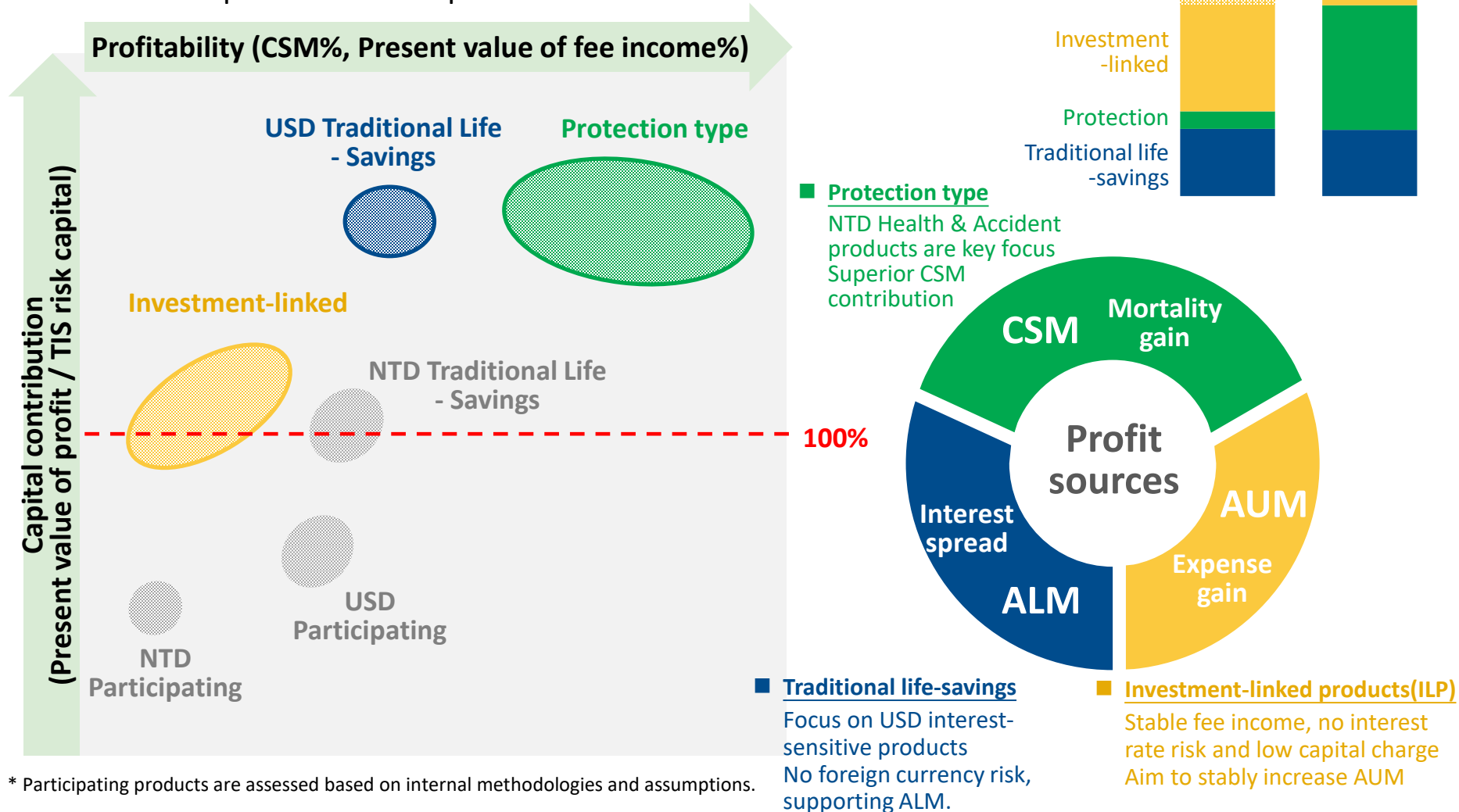


Illustrative CSM balance



Product strategy focused on CSM and capital contribution

- CSM accumulation remains a top priority; health products account for around 60% of new business CSM.
- Focus on products with capital contribution above 100%.

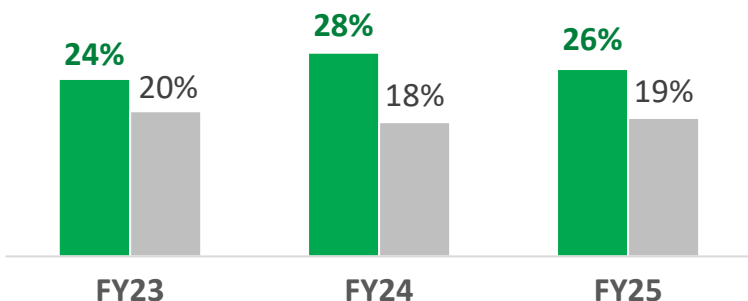


Distribution strength and health ecosystem support NB CSM

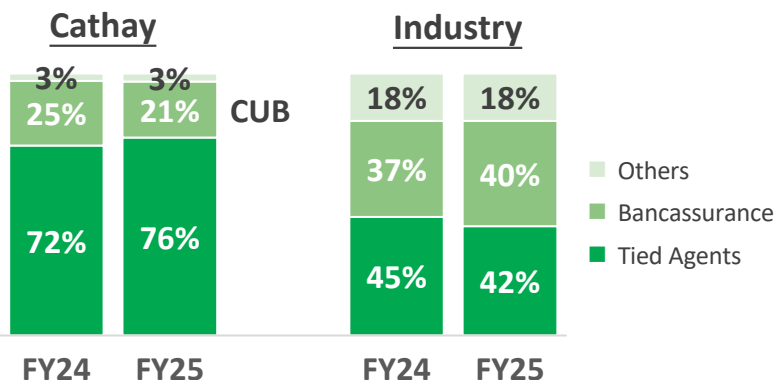
- Strong distribution supports high-quality new business CSM generation.
- All health insurance products integrate spillover mechanisms, supported by the health ecosystem to enhance customer engagement.

Health insurance* sales support NB CSM

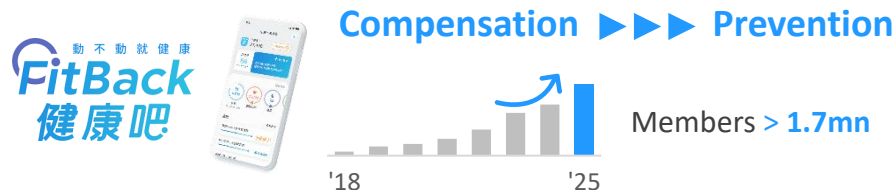
■ Health insurance FYP market share ■ Total FYP market share



Strong distribution (FYP by channel)



FitBack health promotion program



Health goal tracking



steps



heart rate



sleep



fitness

Health ecosystem

Nutrition & dietary

Fitness programs

Health advisory

Long-term care

Industry-leading scale in spillover insurance products

Achieved health targets

Premium discounts

Increased benefits

Higher coverage

All health products integrate spillover mechanisms
585k policies; NT\$34.8bn FYP (2025)



Strengthening ALM to manage balance sheet volatility



Asset allocation strategy

- ✓ Liability-driven investments, aligning asset allocation with insurance liabilities.
- ✓ **Increase allocation to fixed-income assets** to strengthen ALM and reduce equity volatility.
- ✓ **Enhance recurring income**, including interest and dividend income.
- ✓ **Gradual increase in NTD-denominated assets** to reduce currency mismatch.



ALM & risk management

USD liability portfolio:

- ✓ **Redesignation of AC assets to FVOCI** to better align with liability measurement.
- ✓ **Minimize dollar duration (DV01) gap** between assets and liabilities to reduce interest-rate-induced equity volatility.

NTD liability portfolio:

- ✓ **Partial redesignation of AC assets to FVOCI** based on historical Taiwan-U.S. interest rate dynamics to mitigate MTM volatility on equity.
- ✓ **Focus on USD interest-sensitive life products** to reduce currency mismatch exposure.

Note: Dollar Duration (DV01) measures the change in the market value of assets or liabilities for a 1bp change in interest rates. A smaller asset-liability DV01 indicates stronger ALM and lower equity sensitivity to interest rate movements.

Cathay Life – Key messages from IFRS 17 transition

CSM & Equity

- CSM represents future profits from insurance contracts, amounting to NT\$511.9bn.
- Adjusted equity (incl. after-tax CSM) better reflects economic value, reaching NT\$914.0bn and exceeding IFRS 4 equity.

Profitability

- Strong new business CSM generation supports earnings.
- Cost of liabilities (insurance finance expenses) declines to market interest rate levels, supporting a stable positive spread.
- Earnings are primarily driven by CSM release and recurring spread, supporting more predictable and stable earnings and improved ROE.

ALM & Risk management

- Strengthened ALM and risk management capabilities support financial resilience and mitigate equity volatility.

Capital

- Strong new business CSM generation strengthens capital position, providing a stable buffer against volatility.

New solvency regime TIS: Higher capital requirements

- ❑ TIS requires higher capital, with stricter risk-based assessments, market-consistent liability valuation, and higher capital charges for various risks.

		RBC	Taiwan Insurance Solvency (TIS)
Adopted framework		RBC (NAIC)	ICS (IAIS)
Valuation	Fixed income	Amortized cost	Mark-to-market (market adjusted value)
	Stock	Average market value over half-year period	
	Insurance liability	Locked-in basis	
Capital resources		Tiering	Tiering CSM 100% recognized as capital
Risk measurement		VaR 95%	VaR 99.5%
Risk calculation		Factor-based	• Stress approach (primarily), factor-based • Broader risks (longevity/lapse/expense/catastrophe/non-default spread risks)

TIS: Transitional measures ease capital pressure

Transitional measures on Capital Resource

- **Gradual phase-in of the net fair value impact from assets and liabilities of legacy portfolios** ⁽¹⁾, based on insurers' RBC levels; subject to adjustment if capital strengthening progress falls short
 - RBC $\geq$ 250%: base TIS ratio up to 125%; the gap up to 125% phased-in over 15 years, the portion above 125% over 5 years
 - 200% $\leq$ RBC < 250%: base TIS ratio up to 50% of RBC; the gap up to base ratio phased-in over 15 years, the portion above base ratio over 5 years
 - RBC < 200%: subject to regulatory approval

Transitional measures on Required Capital

- **Linear increase of the capital requirement over a 15-year phase-in period**
 - Interest rate risk: from initial 50% to 100%
 - Longevity/lapse/expense/catastrophe/non-default spread risks: from initial 0% to 100%
 - Domestic stocks and real estate risk factors linearly converge to TIS from RBC

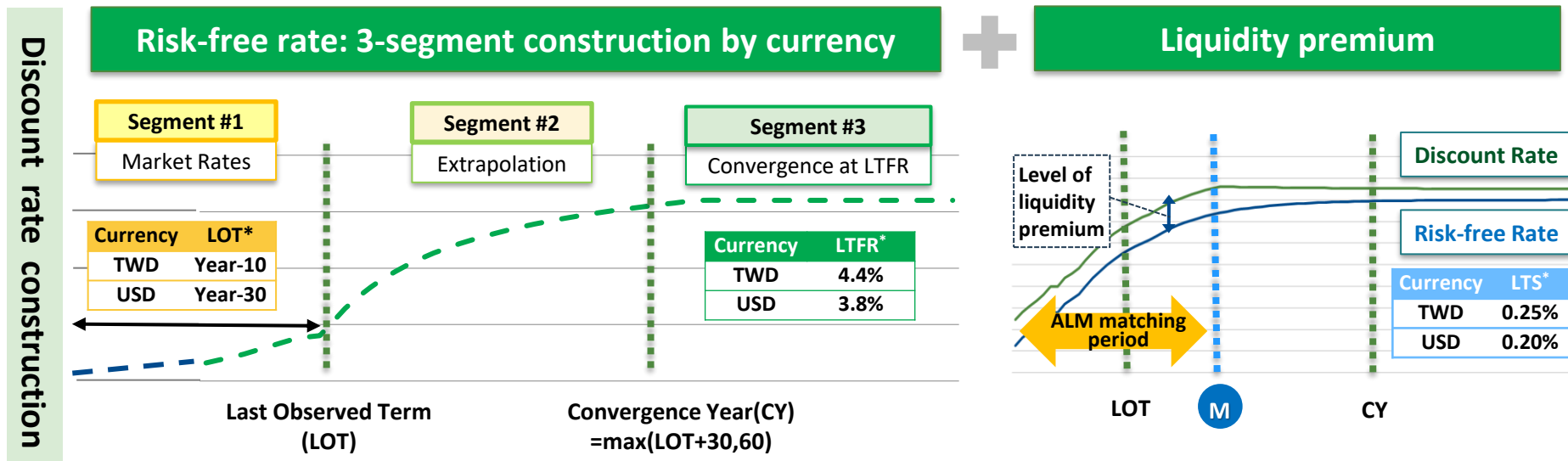
Localization

- **Morbidity/mortality/longevity/lapse/expense risk stress factors adjusted based on localized data**
- **Localization equity and real estate risk factors**

Risk factor	RBC	ICS (IAIS)	TIS
Taiwan listed stocks	21.65% (TWSE), 30% (OTC)	48% (EM)	35%
Domestic real estate	7.81%	25%	15%
Domestic public infrastructure ⁽²⁾	1.28%	37% (EM infrastructure equity)	1.28%

IFRS 17 liability discount rate

- IFRS 17 does not prescribe a specific discount rate methodology. In Taiwan, the approach follows ICS guidelines as required by the FSC and is consistently applied to all insurers.
- Considering the low-liquidity nature of high guaranteed-rate policies (NTD reserve rate $\geq 6\%$), FSC allows an additional liquidity premium of up to 50 bps applied across the full tenor, also reflected in the Taiwan Insurance Solvency (TIS) framework.

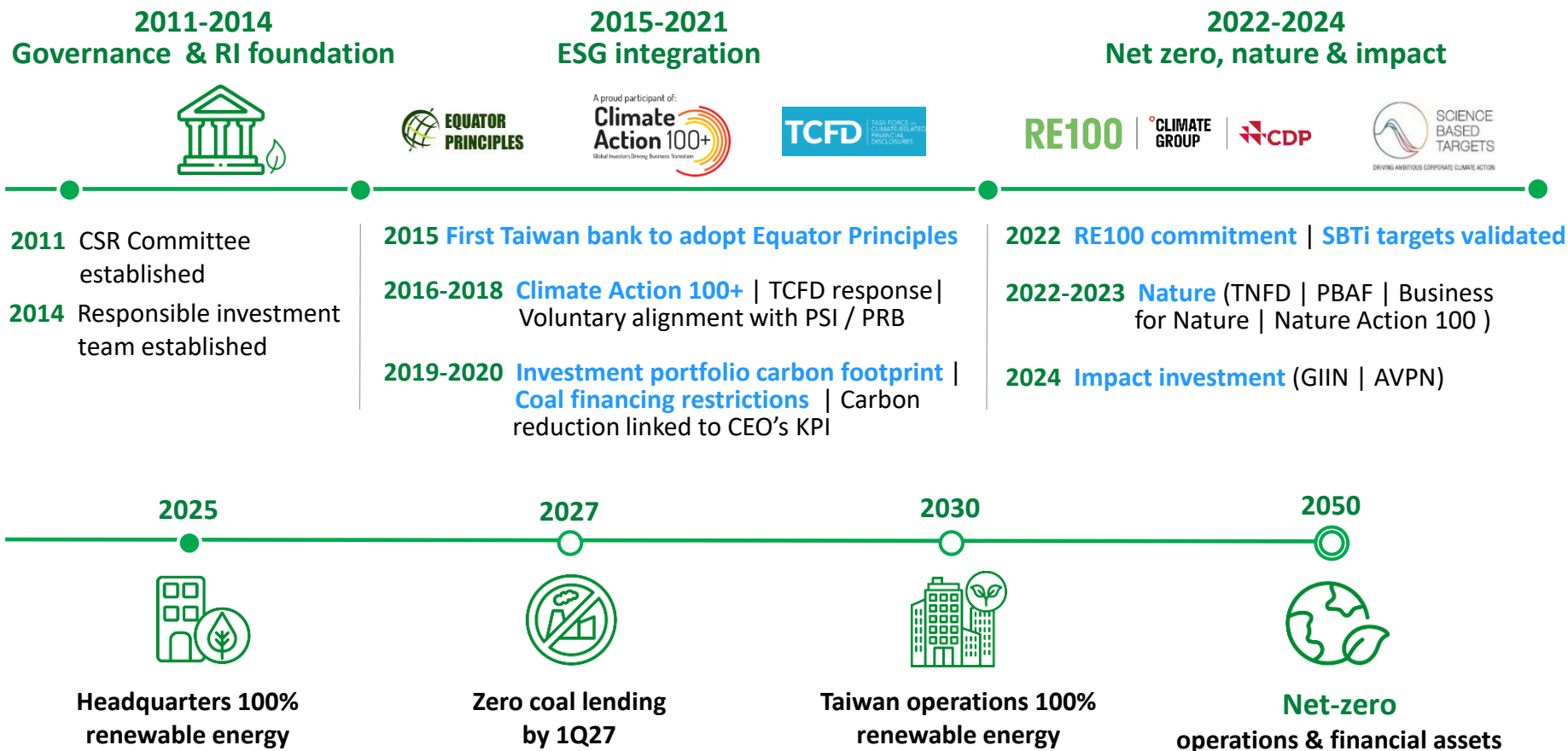


Note: (1) Last Observed Term (LOT) is determined according to the observable and liquid term for each currency in the capital market.
 (2) Long-term Forward Rate (LTFR) is determined based on the sum of long-term real rate and inflation rate.
 (3) Long-term Spread (LTS) adjusts the risk-free rate to reflect the liquidity premium for long-duration insurance liabilities.

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Cathay's sustainability efforts and net zero commitment



High-carbon investment phase-out plan

Revenue thresholds	2022	2025	2030	2040
 Coal value chain	30%	20%	OECD: 5% non-OECD: 20%	5%
 Unconventional oil & gas	50%	30%	OECD: 20% non-OECD: 30%	5%

Globally recognized sustainability performance

Global

S&P Global Sustainability Yearbook 2026

Top 5%
global insurance industry

DJBIC

World **8 years** | Emerging Markets **11 years**



FTSE4Good

8 years
Emerging Markets

MSCI
ESG RATINGS

AAA



A- level

Sustainalytics

Global Top 10
life insurance industry



First Taiwan
financial institution



Asia's 6th
financial institution



2024 Cathay Financial Holdings
CLIMATE AND NATURE REPORT

Reporting example
for financial institutions

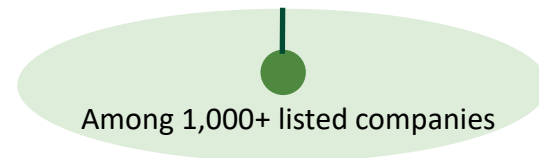


1st in Asia

Taiwan

Top 20%

TWSE Corporate Governance Evaluation



Among 1,000+ listed companies



天下永續公民獎
Excellence in Corporate Social Responsibility

No. 1 Large-Cap & Financial
in 2025



遠見ESG企業永續獎
Global Views ESG Corporate Sustainability Award

Top 2 in Finance & Insurance
in 2026



2025 Taiwan Corporate
Sustainability Awards



Cathay's sustainability strategies and goals



Climate

Low-carbon economy

- Net-zero financial assets by 2050
- Climate engagement leader
- Comprehensive financial solutions for climate change

Sustainable environment

- RE100 and net-zero operational by 2050
- Low-carbon real estate
- Nature-positive action



Health

Health promotion

- Expand the healthy ecosystem
- Promote health and risk awareness across all ages
- Foster employee well-being

Financial health

- Lifetime financial planning & asset protection
- Financial inclusion leadership in Taiwan



Empowerment

Workplace empowerment

- Reskill and upskill
- Leadership pipeline
- Inclusive workplace

Social empowerment

- Youth empowerment
- Women empowerment
- Support vulnerable groups
- Enable healthy aging

Governance

Board-level oversight

Board-level Sustainability Committee

Risk management

Risk appetite | BCM
AML / CFT

Data & AI governance

Data & AI Committee
Risk-tiered review

Information security

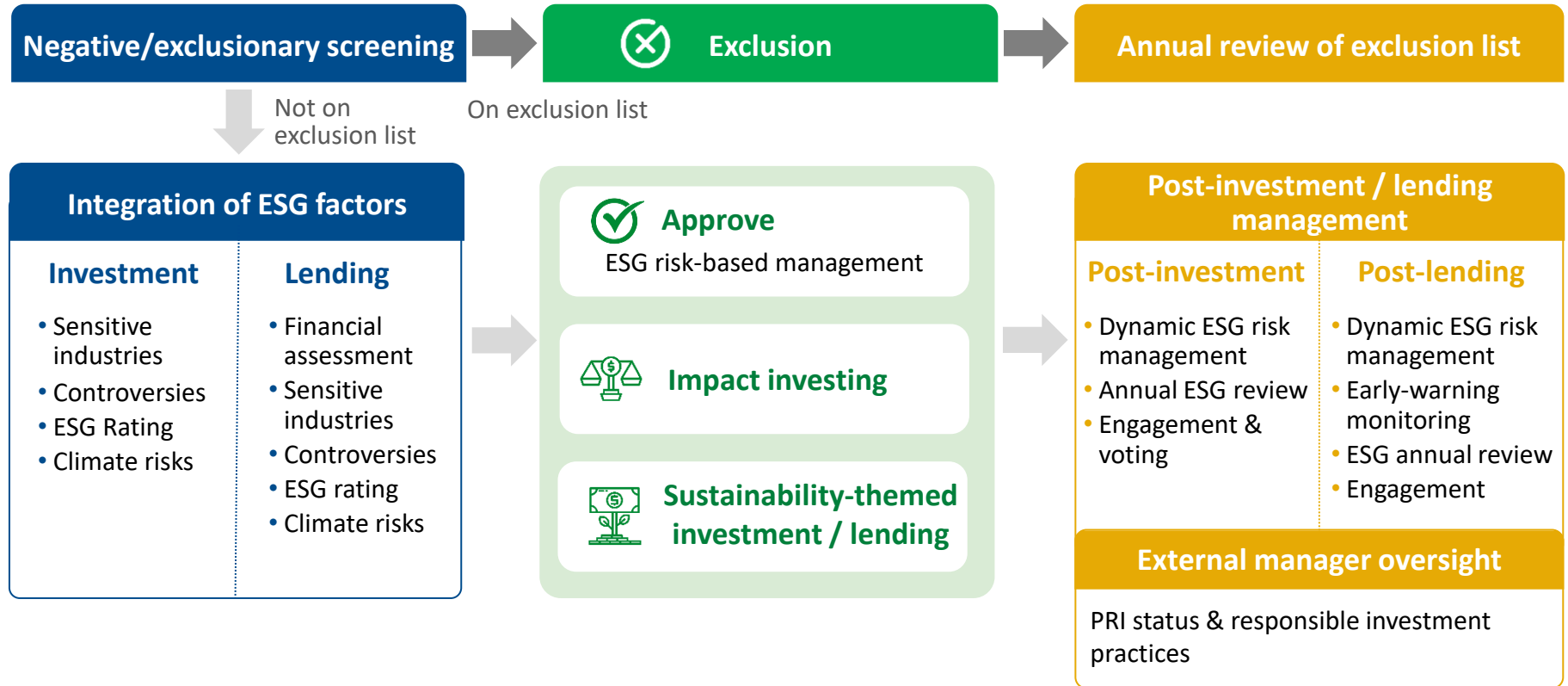
Group-wide ISO 27001
Data protection

Integrating ESG into responsible investment and lending

Pre-investment / lending review

Investment & lending decision

Post-investment / lending stewardship



2025 highlight



NT\$9.4tn

Responsible investment & lending



1,130

potential ESG risk cases reviewed

629 removed from the investable universe

Driving climate & nature transition through engagement



Climate & nature engagement strategy

Accelerating corporate transition & climate resilience

Bringing global insights to Taiwan through engagement

International initiatives & engagements



Nature

- Ceres Valuing Water Finance Initiative
- Nature Action 100
- TNFD
- PBAF
- Business for Nature
- Taiwan Nature Positive Initiative



Climate

- AIGCC
- AUEP
- CDP NDC
- Climate Action 100+
- CDP CBP
- PCAF

Corporate engagement actions



Coalition of Movers and Shakers on Sustainable Finance



Cathay Sustainable Finance and Climate Change Summit
Held for 10 consecutive years



Group-wide corporate engagement
Climate transition | ESG disclosure

2025 engagement outcomes



173

Company engagements



100%

Selected high emitters engaged



44%

Engaged high emitters with 2050 decarbonization targets*



Leveraging financial capabilities to support sustainability

Low-carbon investment & lending

Sustained commitment to the low-carbon transition

2018
NT\$150.9bn $\xrightarrow{2.5x}$ 2025
NT\$375.2bn



Investment
NT\$327.8bn



Lending
NT\$47.4bn

Renewable energy pioneer



2,019 MW
Solar capacity financed



1,373 MW
Offshore wind capacity
financed

Taiwan firsts
Solar PV financing, 2011
Offshore wind financing, 2016

Green financial products & services



**Sustainability-linked
lending**

NT\$107.8bn
11.63% of corporate lending



**Renewable energy
insurance**

NT\$371.4bn
coverage since 2010



Smart green landlord

70 companies
110 leased locations
Providing tenants with
access to green electricity

Advancing health and financial well-being

Health promotion – from protection to prevention

FitBack ecosystem

Connecting healthy habits, digital engagement and insurance



1.75mn

FitBack members



100%

Health insurance with wellness incentives



Every step counts for charity

Collective steps support environmental and community projects

272.7bn steps

NT\$27.7mn charitable funds
2022–2025

Financial health

Pioneering inclusive & age-friendly protection



Microinsurance

Basic protection for underserved groups

219,000

people covered

NT\$70.0bn

coverage



Small-amount whole life insurance

Affordable protection with lower entry barriers

272,000

policies

NT\$91.8bn

life protection



Elderly-friendly insurance

Broader coverage with extended eligibility

192,000

Policies

Entry age
up to 80

Empowering people at work and in society



Workplace empowerment

Reskill | Upskill | Leadership Development | Inclusive workplace



Career & family support

Flexible work and career pacing

89% parental-leave return rate



Diversity & inclusion

Inclusive leadership and women in STEM

47% of STEM talent are women



AI & future skills

AI learning and workplace application

93% of employees equipped with AI application capabilities



Social empowerment

Building capabilities and expanding opportunities across life stages



Youth empowerment

Financial literacy & critical thinking

Building financial knowledge and independent thinking

8,637 students

Financial literacy programs

2,932 participants

Critical thinking education



Women empowerment

Academy for Women Entrepreneurs

Building financial and business capabilities

30+ women entrepreneurs

supported in 2025



Support for vulnerable groups

Dream-building program

Expanding opportunities for resource-limited students

4,800+ students
since 2013



Enable healthy aging

Senior well-being programs

Supporting physical, cognitive and social participation

7,222 seniors

Reached through care initiatives in 2025

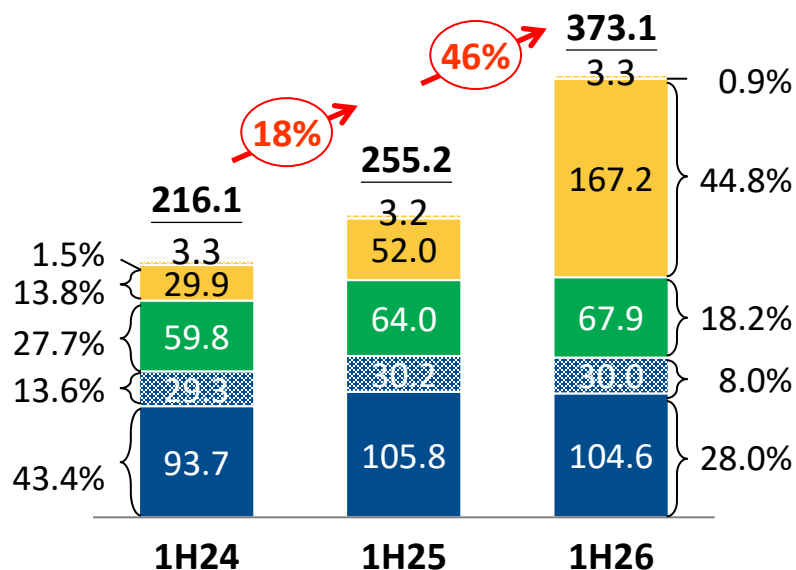
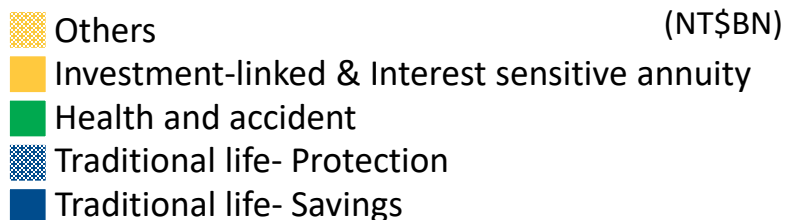
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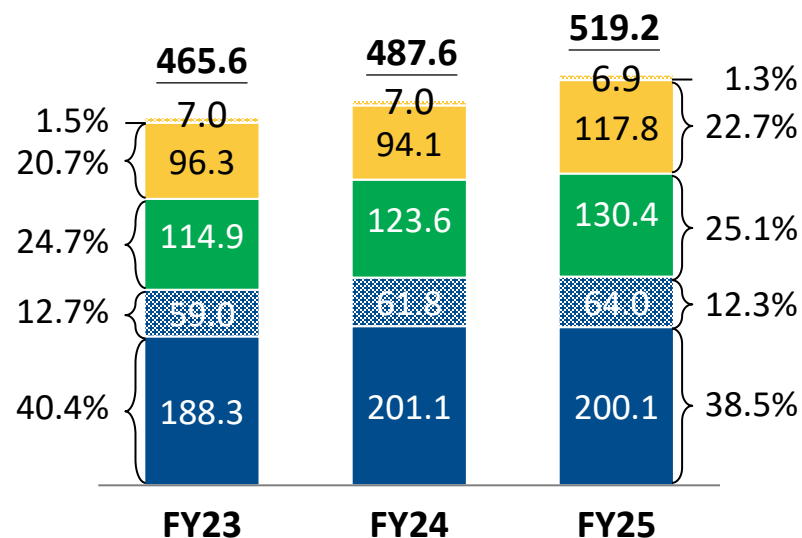
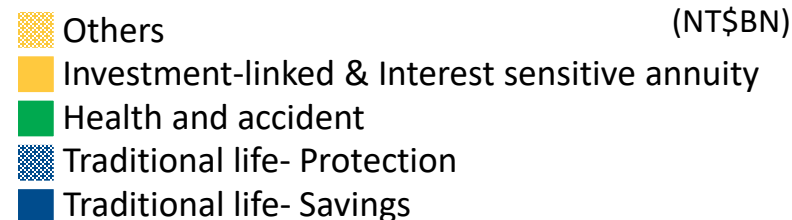
Cathay Life – Total premium

- Total premium grew 46% YoY, driven by continued strong momentum in investment-linked products and steady growth in protection-type products.

Total premium



Annual total premium



Market share

17.7%

19.4%

22.9%

21.3%

20.0%

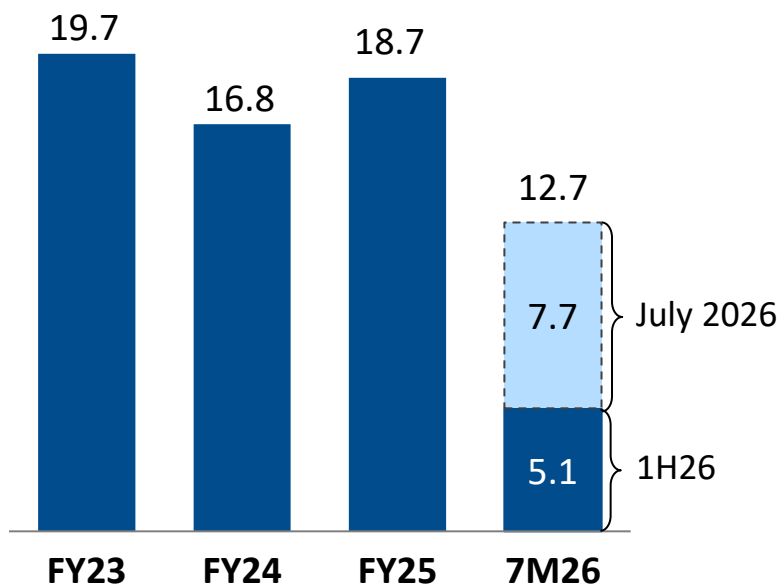
19.8%

Cathay Life – Cash dividend income & overseas bond by region

- 7M26 cash dividend income totaled NT\$12.7bn, while equity positions were adjusted to realize capital gains amid strong equity markets.
- Diversified overseas fixed-income investments across regions to balance risk and return.

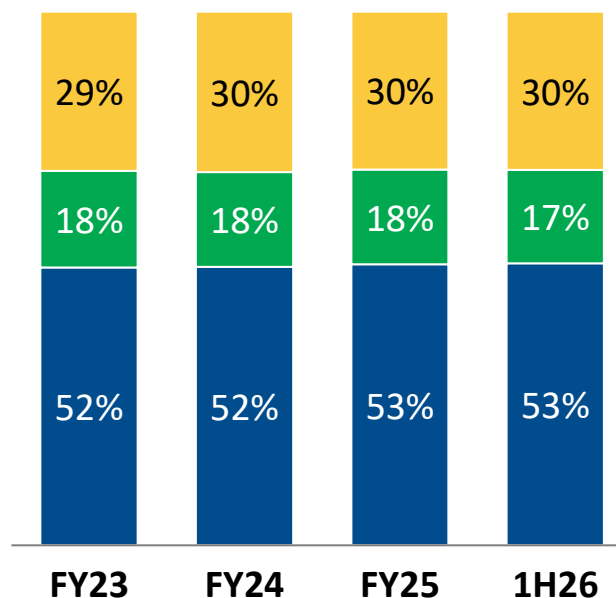
Cash dividend income

(NT\$BN)



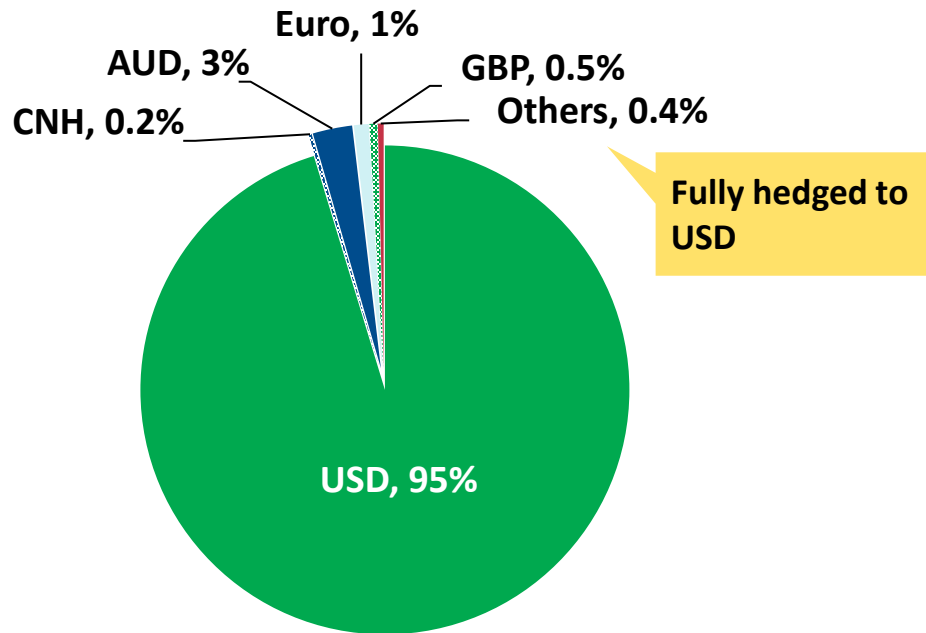
Overseas bond by region

- Asia Pacific & Others
- Europe
- North America

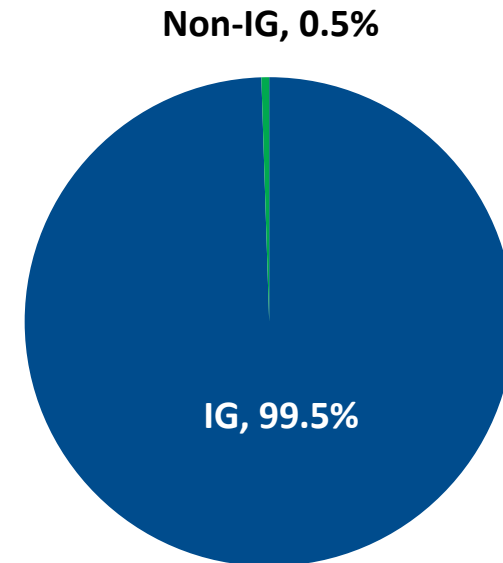


Cathay Life – Overseas bond breakdown by currency and rating

Overseas bond by currency (1H26)



Overseas bond by rating (1H26)



Cathay Financial Holdings

(NT\$MN)

Income Statement Data (Consolidated)

	IFRS 4 & IFRS 9 FY24	FY25	FY25/ FY24 % Chg
Operating Income			
Net interest income	262,122	267,371	2%
Net commission and fee	15,076	18,278	21%
Net earned premium	462,813	481,830	4%
Change in liability reserves	(114,344)	(115,062)	1%
Net claims payment	(498,373)	(477,072)	-4%
Investment income	117,374	126,542	8%
Contribution from associates-equity method	2,555	3,062	20%
Other net non-interest income	(2,840)	(69,606)	-2351%
Bad debt expenses	(9,279)	(8,192)	-12%
Operating expenses	(107,251)	(114,179)	6%
Income before taxes	127,853	112,972	-12%
Income taxes	(16,626)	(5,339)	-68%
Net income	111,227	107,633	-3%
Net income to parent company	110,270	107,142	-3%

EPS (NT\$) 7.29 7.06

Dividend Payout

Cash dividend per share	3.50	3.50
Stock dividend per share	0.00	0.00
Weighted average outstanding common shares (Millions of shares)	14,669	14,669

Balance Sheet Data (Consolidated)

Total assets	13,767,150	14,341,618
Total shareholders' equity	906,527	934,388
Equity attributable to parent company	888,692	928,287

Operating Metrics

ROAE (Consolidated)	13.02%	11.69%
ROAA (Consolidated)	0.84%	0.77%
Double leverage ratio (inc. preferred stock)	118.0%	120.7%

Capital Adequacy Metrics

Capital adequacy ratio	136%	122%
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(NT\$MN)

Income Statement Data (Consolidated)

	IFRS 17 & IFRS 9 1H26	2Q26
Operating Income		
Net interest income	156,768	80,352
Net fee income	25,952	14,816
Insurance service result	25,596	12,400
Investment income	28,410	19,895
Contribution from associates-equity method	3,092	1,912
Insurance/Reinsurance finance income (expenses) ⁽¹⁾	(86,685)	(42,810)
Other net non-interest income	7,739	1,770
Bad debt expenses	(4,086)	(1,942)
Other insurance operating costs	(25,158)	(11,792)
Operating expenses	(40,604)	(21,969)
Income before taxes	91,025	52,633
Income taxes	(14,509)	(7,773)
Net income (A)	76,516	44,860
Net income to parent company	76,270	44,676

Disposal gains on FVOCI equity, net of tax (B) 89,350 72,373
Amount in R/E⁽²⁾ (A)+(B) 165,866 117,233

EPS (NT\$) 4.95 2.80
Amount in R/E per share (NT\$)⁽²⁾ 11.04 7.73

Balance Sheet Data (Consolidated)

Total assets	14,966,542
Total shareholders' equity	1,130,219
Equity attributable to parent company	1,123,908

Operating Metrics

ROAE (Consolidated)	16.90%
ROAA (Consolidated)	1.05%
Double leverage ratio (inc. preferred stock)	119.1%

Notes:

(1) General accounts only.

(2) R/E refers to retained earnings. Amount in R/E shown here represents net income plus after-tax FVOCI equity disposal gains; per-share figures are calculated on the same basis.

(3) All data and information on this page is provided for informational purposes only, and may subject to adjustment.

For more details, please refer to our official financial reports.

Cathay United Bank

(NT\$MN)

Income Statement Data (Consolidated)	FY24	FY25	FY25/ FY24 % Chg	1H25	1H26	1H26/ 1H25 % Chg	2Q25	2Q26	2Q26/ 2Q25 % Chg
Operating Income									
Net interest income	60,913	68,241	12%	33,149	37,894	14%	16,961	19,610	16%
Net fee income	27,973	34,090	22%	17,948	19,973	11%	7,742	9,945	28%
Investment income	18,334	13,704	-25%	6,426	7,458	16%	3,427	3,994	17%
Other income	602	732	22%	402	350	-13%	250	250	0%
Net operating income	107,822	116,767	8%	57,925	65,675	13%	28,379	33,799	19%
Operating expenses	(51,840)	(56,790)	10%	(27,228)	(29,322)	8%	(13,772)	(15,249)	11%
Pre-provision profit	55,982	59,977	7%	30,697	36,353	18%	14,608	18,549	27%
Net provisions for possible losses	(9,211)	(7,293)	-21%	(2,308)	(3,755)	63%	(988)	(1,774)	80%
Income before taxes	46,770	52,684	13%	28,388	32,598	15%	13,620	16,776	23%
Income tax	(8,430)	(9,174)	9%	(5,009)	(5,612)	12%	(2,419)	(2,986)	23%
Net income	38,341	43,510	13%	23,379	26,986	15%	11,201	13,789	23%
Net income to parent company	37,780	43,008	14%	23,155	26,794	16%	11,106	13,647	23%

Balance Sheet Data

Total assets	4,606,285	5,167,942		4,936,951	5,468,501
Loans, net	2,679,233	2,886,929		2,742,861	3,121,392
Financial assets	1,234,617	1,434,798		1,324,036	1,671,737
Total liability	4,306,237	4,843,283		4,637,793	5,130,386
Deposits	3,848,586	4,430,955		4,083,744	4,673,050
Financial Debenture Payable	12,700	18,600		18,600	18,600
Total shareholders' equity	300,048	324,659		299,157	338,115
Equity attributable to parent company	295,390	319,856		294,739	333,099

Operating Metrics

Cost income ratio	48.08%	48.64%		47.01%	44.65%
ROAE	13.31%	13.93%		15.61%	16.29%
ROAA	0.87%	0.89%		0.98%	1.01%

Assets Quality (Standalone)

NPL	2,943	4,357		3,637	4,436
NPL ratio	0.11%	0.15%		0.14%	0.14%
NPL provisions	42,528	46,178		43,641	48,813
Coverage ratio	1445%	1060%		1200%	1100%

Capital Adequacy Metrics (Standalone)

BIS ratio	15.2%	16.1%		15.8%	15.5%
Tier 1 ratio	13.3%	14.2%		13.9%	13.6%
CET1 ratio	11.7%	12.7%		12.3%	12.2%

LDR (Standalone)

Total LDR	69.8%	65.4%		67.4%	67.0%
TWD LDR	79.8%	72.4%		75.5%	73.2%
FX LDR	34.4%	36.9%		35.4%	42.0%

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Cathay Life

(NT\$MN)

	IFRS 4 & IFRS 9		FY25/ FY24 % Chg
<u>Income Statement Data (Consolidated)</u>	FY24	FY25	
Net written premium	430,672	446,179	4%
Net earned premium	428,935	444,971	4%
Reinsurance commission earned	318	652	105%
Fee income	13,542	13,300	-2%
Recurring investment income	272,669	279,234	2%
Gain on disposal of investment			
Realized gain (loss)-Equity	114,260	114,800	0%
Realized gain (loss)-Debt	1,139	6,038	430%
Gain on investment property	976	8,745	796%
FX and others, net	(87,502)	(157,627)	-80%
Investment income, net	301,542	251,190	-17%
Other operating income	1,550	1,582	2%
Separate account revenue	67,117	80,394	20%
Net claims payment	(475,850)	(454,396)	-5%
Changes in liability reserves	(112,991)	(112,129)	-1%
Acquisition and commission expenses	(38,537)	(40,264)	4%
Other operating costs	(8,486)	(8,626)	2%
Financial cost	(7,418)	(11,384)	53%
Separate account expenses	(67,117)	(80,394)	20%
Operating expenses	(32,240)	(36,275)	13%
Net non-operating income	2,538	2,528	0%
Income taxes	(5,624)	5,416	-
Net income	67,280	56,565	-16%
Net income to parent company	66,883	56,575	-15%

Balance Sheet Data

Total assets	9,094,382	9,081,778
General account	8,303,423	8,241,657
Separate account	790,958	840,121
Reserves for life insurance liabilities	7,146,011	7,097,335
Total liabilities	8,376,708	8,331,451
Total shareholders' equity	717,673	750,327
Equity attributable to parent company	704,497	749,029

Operating Metrics (Standalone)

First Year Premium(FYP)	154,103	190,543
Annualized FYP(APE)	57,793	60,610
Expense ratio	15.7%	17.1%
13-M persistency ratio	97.9%	97.6%
25-M persistency ratio	95.3%	95.6%
ROAE (Consolidated)	10.00%	7.71%
ROAA (Consolidated)	0.76%	0.62%

Capital Adequacy Metrics

RBC ratio (Standalone)	359%	310%
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(NT\$MN)

	IFRS 17 & IFRS 9	
<u>Income Statement Data (Consolidated)</u>	1H26	2Q26
Insurance service result	22,436	10,713
CSM & RA release	18,708	9,534
Operating variance	4,343	1,646
Others	(615)	(468)
Financial result	40,926	29,144
Recurring investment income ⁽¹⁾	137,678	70,032
Gain (loss) on investment, net ⁽¹⁾	24,792	18,933
Hedging costs	(32,975)	(15,913)
Insurance finance expenses ⁽¹⁾	(86,400)	(42,675)
Others	(2,169)	(1,234)
Other operating result	(11,539)	(8,831)
Net revenue from investment contracts		
and other operating income	2,682	1,402
Other operating costs and expenses	(18,833)	(10,233)
One-off IFRS 15 impact	4,613	0
Operating income	51,824	31,025
Net non-operating income	666	326
Income taxes	(6,276)	(2,507)
Net income (A)	46,214	28,844
Net income to parent company	46,160	28,803
Disposal gains on FVOCI equity, net of tax (B)	85,079	68,502
Amount in R/E ⁽²⁾ (A)+(B)	131,292	97,346

Balance Sheet Data (Consolidated)

Total assets	9,335,881
General account	8,346,029
Separate account	989,852
Insurance contract liabilities	7,048,675
Total liabilities	8,375,913
Total shareholders' equity	959,969
Equity attributable to parent company	958,675

Operating Metrics (Standalone)

First Year Premium(FYP)	195,398
New business CSM	53,851
13-M persistency ratio	97.7%
25-M persistency ratio	95.1%
ROAE (Consolidated)	12.61%
ROAA (Consolidated)	1.02%

Notes:

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Cathay Century

(NT\$MM)

	IFRS 4 & IFRS 9		FY25/ FY24
	FY24	FY25	% Chg
Income Statement Data (Consolidated)			
Premium income	38,559	41,222	7%
Net written premium	26,417	28,538	8%
Net earned premium	25,343	27,585	9%
Reinsurance commission earned	1,230	1,237	1%
Fee income	54	53	-3%
Investment	1,407	2,018	43%
Interest income	859	953	11%
Other investment income, net	548	1,066	94%
Other operating income	67	0	-100%
Net claims payment	(12,534)	(12,037)	-4%
Changes in liability reserves	(1,354)	(2,933)	117%
Commissions and other operating costs	(4,689)	(5,007)	7%
Operating expenses	(6,353)	(6,508)	2%
Operating income	3,172	4,408	39%
Net non-operating income	23	8	-65%
Income taxes	(558)	(661)	18%
Net income	2,637	3,755	42%
Balance Sheet Data			
Total assets	65,503	79,884	
Total stockholders' equity	17,947	20,027	
Operating Metrics			
Gross Combined ratio (Standalone)	87.3%	101.1%	
Net Combined ratio (Standalone)	91.2%	88.8%	
ROAE	16.01%	19.78%	
ROAA	4.36%	5.17%	
Capital Adequacy Metrics			
RBC ratio (Standalone)	365%	342%	

(NT\$MN)

	IFRS 17 & IFRS 9	
	1H26	2Q26
Income Statement Data (Consolidated)		
Insurance service result	2,650	1,427
Insurance revenue	20,538	10,429
Insurance service expenses	(12,452)	(6,002)
Net reinsurance expenses	(5,437)	(2,999)
Financial result	857	555
Interest income	490	257
Other investment income, net	415	313
Insurance/Reinsurance finance income (expenses)	(47)	(16)
Other operating result	(633)	(390)
Operating income	2,874	1,592
Net non-operating income	4	(1)
Income taxes	(505)	(275)
Net income (A)	2,373	1,316
Disposal gains on FVOCI equity, net of tax (B)	1,436	1,017
Amount in R/E ⁽¹⁾ (A)+(B)	3,809	2,333
Balance Sheet Data		
Total assets	75,670	
Total stockholders' equity	24,968	
Operating Metrics		
Combined ratio (Standalone)	61.2%	
Net Combined ratio (Standalone)	87.2%	
ROAE	21.11%	
ROAA	6.41%	

Notes:

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